MACA Limited

ANNUAL REPORT 2018

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
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WELSHPOOL WA 6106

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SOLICITORS
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Lawyers and Consultants

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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

CONTENTS

ABOUT MACA

MACA is a publicly listed, successful international contracting group providing services to the Australia and Latin American mining and construction industries. With a team of over 1,600 highly skilled and dedicated people we provide tailored solutions to suit the needs of our clients.

We specialise in:

- **Contract Mining**
- **Contract Crushing**
- **Civil Construction**
- **Infrastructure, and**
- **Mineral Processing Equipment**

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

Crushing – providing crushing services including crushing and screening and screening only

Civil Construction and Infrastructure – through our dedicated civil construction and asset maintenance businesses, we provide a broad range of civil infrastructure and maintenance services including 'construct only or 'design and construct' in both 'greenfields' and urban 'brownfields' environments. Our clientele are both state and federal road authorities, local municipalities and private organisations across Australia.

Mineral Processing Equipment – delivering small to large scale structural, mechanical and piping (SMP) projects including engineering, procurement and construction (EPC), new and refurbished process plant & equipment, maintenance of, and consumables including grinding media 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.

MACA consistently delivers on its revenue forecasts and maintains a solid financial position and operational capacity. We achieve this by understanding and working collaboratively with our clients, looking after and investing safely and development of our people and sourcing reliable and quality equipment.

CHAIRMAN'S ADDRESS

2018 WAS A DIFFICULT YEAR FOR MACA AND DID NOT MEET OUR EXPECTATIONS. THIS WAS IN PART DUE TO FACTORS OUTSIDE OUR CONTROL (WIDESPREAD WET WEATHER) BUT ALSO TO FIRST HALF LOSSES INCURRED ON UNDER PERFORMING CONTRACTS IN MACA INTERQUIP AND OUR VICTORIAN CIVIL & INFRASTRUCTURE DIVISION. WE EXPECT AN IMPROVED TRADING PERFORMANCE IN 2019 AS WE CONTINUE TO PURSUE OUR STRATEGY OF DIVERSIFYING AND EXPANDING THE GROUP'S REVENUE BASE.

MACA delivered a full year net profit after tax of $23.6 million. This was 26% down on the prior year, reflecting the impact of the factors noted above.

The lower earnings, combined with the impacts on working capital from the Company's support of Blackham Resources' recapitalisation and the recovery of monies owed by Beadell Resources (now formalised in a payment plan agreed as part of the termination of the Tucano mining contract), have weighed on MACA's share price over the past 12 months.

We are confident in the Company's ability to improve its financial performance in the current year and beyond. As previously announced, MACA is expecting revenue to increase to approximately $620 million in FY19, of which over 92% is already contracted.

Our Australian mining operations continue to perform solidly given the wet weather in the second half which affected all sites. The recently announced contract extension with Regis Resources at the Duketon South Operations is testament to the strong relationships the Company has developed with its customers as well as our strong focus on safety, continuous improvement and exceeding client expectations.

Our strategy of diversifying the Group's operational activities also continues to advance. In recent months we have been awarded crushing contracts with BHP and a 'life of mine' coal contract in Queensland with Carabella Resources. Our civil and infrastructure businesses achieved a much improved financial performance on the prior year. We expect these businesses to continue their upward progression in 2019 as we realise the benefits of past investments made in these sectors.

As at the end of August the Group had contracted work in hand of almost $2 billion and a decent pipeline of opportunities. With its strong balance sheet, including cash on hand as at 30 June 2018 of $108 million, MACA is well placed to realise its growth objectives.

Your Directors have declared a final dividend of 3.5 cents per share, taking the total dividends for the year to 6.5 cents fully franked. This dividend has been set having regard to the recent level of earnings and the desire to retain sufficient funds for equipment and working capital investments required to support future projects.

I would like to offer my sincere thanks to our executive leadership team and all our staff for their hard work, and to my fellow Directors for their wise counsel.

I would also like to thank our shareholders for your continuing support and assure you that the Board remains focused on delivering strong shareholder returns.

Andrew Edwards
Chairman

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Dear Shareholders

This report marks the eighth year since listing and sixteenth year since incorporation of MACA, I am pleased to present a review of the company's performance to you the shareholders of MACA Limited.

The 2018 financial year was a challenging one in many respects, with significant one off items having a substantial impact on first half results and the second half results being impacted by wet weather across all mining sites. Whilst wet weather is always encountered in the second half of the financial year, it is unusual to have impact across all Western Australia mining sites at the same time. Against that background the Group's core mining services business has continued to perform solidly. The other parts of our business are maturing and beginning to generate improved financial performance in line with our corporate group strategy.

MINING - AUSTRALIA

Operational activities have continued to grow in gold, with MACA commencing new contracts with Ramelius Resources at Mount Magnet and Minjar Gold at Cue, and for Pilbara Minerals Pilgangoora Lithium project. During the period MACA continued operations at Rosemont, Garden Well and Moolart Well for Regis Resources, Abydos and Mt Dove for Atlas Iron, and at Matilda for Blackham Resources.

Operations at Central Murchison for MetalsX, Browns Range for Northern Minerals, and Abydos for Atlas Iron were completed during the year.

Subsequent to year end operations commenced on our crushing services contract for BHP at various sites within the Pilbara region and works at Mt Dove for Atlas Iron ceased as at end of July 2018.

The commencement of both BHP crushing projects being Mining Area C late in the first half and crushing of stemming material and other stockpiles at various sites in July 2018 will enable MACA to fully utilise our idle crushing equipment and importantly continued employment for personnel relocating from completed crushing projects.

Further subsequent to year end MACA has been awarded;

- Extended tenure with Regis Resources at Duketon South for a period of 5 years from July 2018; and
- A 10 year 'Life of Mine' coal contract in Queensland for Carabella Resources – this contract will see the business working in a new geographic location, in a different commodity and with the next size up of equipment than the business has to date operated with.

MINING - INTERNATIONAL

The copper project for Avanco Resources (now owned by Oz Minerals) at the Antas mine continues to perform satisfactorily given the challenges of remoteness.

At year end MACA agreed a mutual termination of the contract with Beadell Resources at the Tucano project.

The Company continues to look for further opportunities in Brazil given the majority of equipment coming available from the termination with Beadell Resources.

FINANCIAL AND OPERATING PERFORMANCE

Operating revenue of

$562.6m

EBITDA of

$78.8m

Net profit after tax attributable to members of

$23.6m

Net operating cash flow of

$8.7m

Final dividend per share of

3.5c

(Fully franked) Total for FY18 of 6.5 CPS)

Strong balance sheet with a net cash position of

$63.3m

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

OPERATIONS

MINING AND CRUSHING

The division's revenue of $401 million represented 71% of the total Group revenue and was derived from continuing operations, the completion of 4 projects and the commencement of 3 new projects during the period.

Mining and crushing contracts by sector from July 2017 include:

GOLD

› Mining services

Commenced	Ramelius Resources at Mount Magnet in July 2017 Minjar Gold at Gossan Hill in March 2018
Continued	Regis Resources at Moolart Well Regis Resources at Garden Well Regis Resources at Rosemont Blackham Resources at Matilda
Completed	Metals X at Central Murchison in Sept 2018 Beadell Resources at Tucano (Brazil, South America) in June 2018
Awarded subsequent to year end	Extended tenure at Garden Well and Rosemont (Duketon South Operations) for Regis Resources in July 2018

IRON ORE

› Crushing and screening services

Continued	Atlas Iron at Mt Dove
Completed	Atlas Iron at Abydos in Sept 2017 (mining and crushing services only)
To commence	BHP at Mining Area C in December 2018
Awarded subsequent to year end	BHP (stemming and other stockpiles at various sites) in July 2018

COAL

Awarded subsequent to year end	Carabella Resources at Bluff Coal (Queensland) in July 18

COPPER

› Mining services

Continued	Avanco Resources at Antas (Brazil, South America)

LITHIUM

› Mining services

Commenced	Pilbara Minerals at Pilgangoora in January 2018

OTHER MINERALS

› Mining services

Completed	Northern Minerals at Browns Range in November 2017

CIVIL AND INFRASTRUCTURE

The civil and infrastructure businesses continued a strong performance with growth in 2017/18 in both the Western Australian and Victorian sectors. Both sectors exceeded business plan revenue targets and increased market share by strong performances on our projects and positive relationships with our valued clients.

In Western Australia, the civil business unit delivered its highest ever revenue turnover for MACA since its inception in 2007 and met all operational and performance key performance indicators for the period. The result was underpinned by the success of the Gruyere Gold project near Laverton which was the largest earthworks project undertaken by any Earthworks Contractor in WA in 2017.

The Gruyere project involved the greenfield development of the overall process plant bulk earthworks, access roads, storage ponds, airstrip, sealed intersections and tailings storage facility (TSF) works and commenced in June 2017. The initial program was completed in April 2018 and our civil team is now constructing additional lining works in the TSF for Gruyere and miscellaneous earthworks as a Stage 2 award to the original contract. Other contracts were delivered for Blackham Resources and Pilbara Minerals in the period and new projects commenced in Q3 2018 for Main Roads WA at Coongan Gorge and Western Areas Odysseus Evaporation Pond Project.

The infrastructure business in Western Australia has maintained its strong relationship with Main Roads during the period and continued it's delivery of the Road and Asset Maintenance contract in the Kimberley region. One of the success stories from this project has been the outstanding intake of local aboriginal employees in the workforce and their job growth development in the region.

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. Two significant Design/Construct Projects were secured with VicRoads at O'Herns Road Upgrade and Doncaster Bus Lanes.

MACA Civil was also invited to join a panel of local contractors to deliver safety improvements to Victorian Roads. These panel contracts involve safety barrier upgrades and MACA Civil was voted No. 1 Contractor out of the 16 participants in a recent internal survey by Vic Roads.

MACA Civil once again achieved re-certification in the National pre-qualification system to R4 / B1 (conditional) level for Roads and has also retained its accreditation to the Office of Federal Safety. This allows continued participation on or competing for federally funded public infrastructure projects.

› Western Australia

Projects	Gruyere Joint Venture - Site Bulk Earthworks, Access Roads, Airstrip and Tailings Storage Facility works Pilbara Minerals - Tailings Storage Facility Blackham Resources - Tailings Storage facility Main Roads WA - for Kimberley Road Maintenance Main Roads WA - Coongan Gorge realignment in the Kimberley region Western Areas - Odysseus Evaporation ponds at the Cosmos project

› Victoria

Projects	VicRoads - Western Region Road and Roadside Maintenance VicRoads - Design and Construct signalized Intersection Upgrade - O'Herns Road, Epping VicRoads - Safe System Road Infrastructure Projects (SSRIP) Project Zero Construction Panel VicRoads - Design and Construct Doncaster Bus-lanes Works for various shires and councils - Yarra Ranges, Baw Baw, Hobson Bay, Mornington Peninsula and Wyndham City

MINERAL PROCESSING

MACA Interquip (MACA 60% owned) is a business providing end to end processing solutions in Western Australia and the Northern Territory. This acquisition has enabled MACA to establish a Structural, Mechanical and Piping (SMP) offering within the mining industry providing engineering, procurement and construction (EPC) services.
Earnings were adversely affected by an under-performing contract in the MACA Interquip (60% owned) business in the first half of 2018. Steps have been taken to address the issues that arose in the fixed price contract. The current solid pipeline of opportunities supports MACA's objectives of revenue and profit growth going forward.

› Western Australia

Projects	Refurbishment and maintenance services for Panoramic Resources Savannah project SMP services for a filtration upgrade for Sandfire Resources De Grussa project Secondary mill upgrade for AngloGold Ashanti at Tropicana

› Northern Territory

Projects	Newmont Mining - Tanami Gold project mill upgrade

THE BUSINESS

MACA is well placed to participate in the upswing in a number of projects in both mining and civil and infrastructure sectors. The latest award of the Bluff Coal project in Queensland will further underpin our mining services business in a new jurisdiction and commodity exposure.

In addition, our Civil and Infrastructure businesses are starting to benefit from increased spending on road and asset management predominantly on the East Coast. Our work in hand for both the Civil and Infrastructure, and Interquip businesses stands at record levels from the start of the new financial year and we expect to see a further improvement in our financial returns form these businesses.

Our strategy is to make the business more diversified and sustainable, and to do this we have a Growth Plan that looks at our Strategy, our Key Area of Focus and the Critical Success Factors that will build and deliver on this Strategy.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

THE BUSINESS (CONTINUED)

In short, our Strategy is underpinned by:

- Delivering for exiting clients;
- Winning new work;
- Diversifying into new markets, services and commodities;
- Extracting value from all trading divisions and assets; and
- Providing our divisions with support to grow

The Key Areas of Focus include:
Safety, health and wellbeing;
Deliver on financial targets;
Attraction retention and people development
Business improvement and Technology; and
Risk Management

The Critical Success factors are:
Safety, health and wellbeing
Financial discipline
Client Focus
MACA Can Do culture
Business improvement; and
Informed decision making

FINANCIAL AND OPERATING PERFORMANCE

	30 June 2018	30 June 2017	Movement
Revenue	$562.6M	$497.9M	13%
EBITDA	$78.8M	$99.2M	(20)%
EBIT	$29.4M	$46.4M	(37)%
Net Profit Before Tax	$31.6M	$44.1M	(28)%
Net Profit After Tax	$23.6M	$32.1M	(26)%
Contracted Work in Hand	$1,051M	$1,982M [1]	
Operating Cash Flow	$8.7M	$68.1M	
Earnings per share - basic	9.1 cents	13.7 cents	
Dividends per share (fully franked)	6.5 cents	9.0 cents	

[1] As at 31 August 2018

Group revenue increased overall by 13%, with a decline in growth of the core mining segment of 5%, an increase in revenue of 93% from $72 million to $139 million for the civil and infrastructure division and mineral processing equipment businesses now separated out as a new business segment.

The Net Profit Before Tax was $31.6 million for the year ended 30 June 2018. The Mining Division made a profit before tax of $37.1 million on a reduced revenue and wet weather in the second half as discussed earlier in the report. The Civil and Infrastructure Division reported a profit before tax of $1.4 million and the 60% owned Interquip SMP Division recorded a loss of $8.1 million predominantly due to a loss making contract in the first half.

EBITDA (Earnings before interest, tax, depreciation and amortisation) was $78.8 million (14% of revenue) for the period ending 30 June 2018.

DIVIDEND

On the 27th August 2018, the board of MACA Limited declared a final dividend for the financial year ending 2018 of 3.5 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 $19.0 million (2017: $21.0 million).

OPERATING CASH FLOW AND CAPITAL EXPENDITURE

Operating cash flow for the 12 months ending 30 June 2018 was $8.7 million.

Capital expenditure for the financial year was $39.6 million relating to plant and equipment associated with sustaining capital and the commencement of the Pilgangoora project for Pilbara Minerals and some capital commitments for early works for the crushing project for BHP at Mining area C. 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.

The operating cashflow in the second half was significantly impacted by working capital adjustments as a result of repayment arrangements and extended terms provided on new projects. These include support of Blackham Resources recapitalisation (refer ASX announcement 15th January 2018) for $14.9 million, and mutual termination of Tucano Mining Contract, (refer ASX announcement 22nd June 2018) where we agreed a repayment plan with $6.2 million received since the end of the reporting period.

BALANCE SHEET AND GEARING

The Group as at 30 June 2018 remains in a strong financial position with a net cash position of $63 million and with cash on hand of $108 million.

In September 2017 MACA raised a total of ~$60.0 million through a placement of ~33.4 million shares at an issue price of $1.80 per share ("Placement"). Post completion MACA has retained a substantial cash balance to maintain its financial capacity to drive further growth opportunities.

ORDER BOOK

As at 30 June 2018 the Company had Work-In-Hand of $1,051 million, with Mining accounting for $906 million, Civil and Infrastructure being $125 million and Interquip $18 million. The current order book as at the end of August 2018 stands at $1,982 million.

HEALTH, SAFETY AND ENVIRONMENT

MACA is committed to driving and developing leadership behaviour so the likelihood of realising 'zero harm' to health, safety and to the environment grows and is embedded in our culture. We recognise that people are the greatest asset in MACA and our brand is defined by how we live our core values in the workplace. We provide the tools, information and coaching to empower people in responsibility for the safety of themselves and others and in doing so create an ownership that has developed into a proactive HSEQ Management System.

MACA acknowledges we work in a risky environment, however we manage those risks proactively through consultation with our workforce and through a preventive mindset for only accepting work will proceed after each potential significant risk is reduced to as low as reasonably practicable by implementing and verifying each Critical Controls is in place and is working.

MACA's HSEQ Management System is our totally integrated internal knowledge base of HSEQ process information continually improved from lessons learned, alignment to changes in legislation and other internal corrective actions and feedback applied. MACA's HSEQ Management System complies with the requirements of AS/NZS4801:2001 Occupational Health and Safety Management System and ISO14001:2015 Environmental Management Systems which is externally accredited by SAI Global under these Standards.

The continued focus on health and safety through our proactive processes and risk-based approach, has seen our Lost Time Injury Frequency Rate (LTIFR) at zero for the 2018 financial year and other safety metrics remain well below industry benchmarks.

QUALITY MANAGEMENT

The integrated approach of MACA's HSEQ Management System allows all of MACA's systems and processes to function under one complete quality management system framework, providing the business structure and allowing internal departments and projects alike, within the company, to function in an interdependent and interrelated manner. MACA Limited is also externally accredited by SAI Global for complying with the requirements of ISO9001:2015 Quality Management System.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

PEOPLE

MACA is a people focused Company with our team being central to our success.

At the end of June, the number of employees and contractors across our workforce globally was 1,680, up 9% from the previous period due to increased project activity and resulting demand for labour.

Our approach to business, ***The MACA Way*** is underpinned by our vision, core values and brand promise:

Our Vision:	**Be number 1 in what we do.**

OUR CORE VALUES:

People First	**We care for people and create a safe and enjoyable workplace. We treat them fairly, with integrity, honesty and respect.**
Exceed Expectations	**We strive to consistently exceed employee, client and investor expectations.**
Continuous Improvement	**We recognise the importance of encouraging and rewarding continuous improvement and innovation.**
Community	**We show leadership and responsibility for our community.**

OUR BRAND PROMISE:

We Care
We are Flexible
We Deliver

Our people strategy remains focused on:

- Safety, health and wellbeing of our team
- Attraction and retention of highly skilled people who fit ***The MACA Way***
- People development
- Succession planning
- Team engagement and feedback
- Creating a united culture across our operations
- Diversity and equality of our people

LEARNING AND DEVELOPMENT

MACA is committed to investing in our people and providing opportunities for them to grow and develop. We continue to implement several initiatives aimed at enhancing the capability and performance of our team which ensures we are able to successfully meet the needs of our clients.

Key initiatives underway include:

- Leadership and Management Program
- Traineeships (surface extraction, drilling, warehouse operations, civil construction)
- Apprenticeships
- Engineering Graduate Program

ABORIGINAL ENGAGEMENT

MACA is fully committed to providing direct employment to Aboriginal people. Our Aboriginal Employment Program is focused on providing Aboriginal people equal opportunity to access jobs, skills development and career prospects.

Our Reconciliation Action Plan (RAP) launched in 2017 supports our Company aim of, where we can, playing a part in enhancing the lives of Aboriginal people.

COMMUNITY

MACA is an active supporter of the community through ongoing partnerships, donations and sponsorships. Our MACA in the Community Program is focused on making a positive difference to the community and society as a whole. We actively encourage all of our employees to volunteer their time to support a local charity, cause or event.

We are proud of our long-standing partnerships with the following:

- MACA Ride to Conquer Cancer in support of the Harry Perkins Institute of Medical Research
- Hawaiian Ride for Youth in support of Youth Focus
- Perth Children's Hospital Foundation
- Starlight Children's Foundation
- West Australian Symphony Orchestra

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, and our clients who show great faith in MACA to deliver services in a safe, timely and cost effective manner.

Chris Tuckwell
Managing Director, CEO

DIRECTOR'S 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 2018.

Directors

The following persons were directors of MACA Limited during the whole or part of the financial 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 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:

	2018	2017
	cps	cps
Interim dividend declared and paid per ordinary share	3.0	4.5
Final dividend declared and paid per ordinary share	3.5	4.5

The final fully franked dividend was paid on 20th September 2018.

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.

	2018	2017	Change	
	$'M	$'M		
Revenue	562.6	497.9	13%	▲
EBITDA	78.8	99.2	21%	▼
EBIT	29.4	46.4	37%	▼
Net Profit before tax	31.6	44.1	28%	▼
Net Profit after tax	23.6	32.1	26%	▼
Contracted Work in Hand	1,982 [1]	1,130		
Operating Cashflow	8.7	68.1		
Dividend per share (fully franked)	6.5 cents	9 cents		
Basic earnings per share	9.1 cents	13.7 cents		

[1] As at 31 August 2018

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:

- Nil

Events Subsequent To Balance Date

After balance date events include the following:

- Subsequent to the end of the reporting period MACA has been awarded an extension at Duketon South for Regis Resources (refer ASX announcement 31 July 2018) that will generate a further $590 million in revenue over a 5 year period from July 2018.

- Subsequent to the end of the reporting period MACA has executed a 10 year 'life of mine' contract with Carabella Resources Pty Ltd for the provision of mining services at the Bluff Coal project near Blackwater in the Bowen Basin in Queensland (refer ASX announcement 31 July 2018) that will generate $700 million in revenue over a 10 year period from November 2018.

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 Non-executive Chairman of MMA Offshore Limited (appointed December 2009) and Non-executive Director of 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

DIRECTOR'S REPORT

Name:	Mr Chris Tuckwell
Title:	Chief Executive Officer and Managing Director
Qualifications:	B Eng (Construction)
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 33 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 (in last 3 years):	Mr Tuckwell was a board member of MACA Limited from 10th November 2010 to 25th July 2012. Nil.
Special responsibilities:	Mr Tuckwell is currently a member of the Board's Risk Committee.
Interest in shares	774,064
Interest in Performance Rights	444,737 vested 30 June 2018 not yet issued 268,254 vesting 30 June 2019 184,619 vesting 30 June 2020

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 on all projects for the business. Mr Baker has worked in the sector for 39 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	363,816 vested 30 June 2018 not yet issued 215,476 vesting 30 June 2019 146,775 vesting 30 June 2020

Name:	Mr Linton Kirk
Title:	Independent Non-executive Director
Qualifications:	B Eng (Mining) FAusIMM (CP)
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 has completed a Company Directors course.
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:	CP Eng 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	28,604

Name:	Mr Peter Gilford
Title:	Chief Financial Officer / Company Secretary
Qualifications:	B Com CA AGIA ACIS
Experience and expertise:	Mr Gilford has over 17 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 2018 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	2	2
Chris Tuckwell	6	6	-	-	-	-	2	2
Geoff Baker	6	6	-	-	-	-	2	2
Linton Kirk	6	6	2	2	2	2	2	2
Robert Ryan	6	6	2	2	2	2	2	2

Remuneration Report

The audited remuneration report is set out on pages 18 to 31 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.

DIRECTOR'S REPORT

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 32 and forms part of the directors' report for the financial year ended 30 June 2018.

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. The factors identified below are not neccessarily listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with the MACA business.

Health, Safety, Sustainability and Environment Risk

The industry sectors in which we operate involve 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.

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.

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.

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.

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.

Labour Costs and Availability

Labour represents a significant portion of operating expenses. In order to compete for work and to service clients, the Group needs to be able to continue to attract and retain skilled employees. Consequently, the Group is exposed to increased labour costs in markets where the demand for labour is strong. Within more stable labour markets, the group's labour costs are typically protected by rise and fall mechanisms within client contracts, which help neutralise the impact of rising labour costs.

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 timeframe;
- 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;
- loss of reputation through poor project outcomes, unsafe work practices, unethical business practices, and not meeting the market's expectation of its financial performance ;
- operating in international markets, potentially exposing MACA to country specific adverse economic conditions, civil unrest, conflicts, and bribery and corrupt practices;
- foreign exchange rates and interest rates in the ordinary course of business, and
- loss of key Board, management or operational personnel.

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	2018 Executive remuneration framework and improvements	Outlines the 2018 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 2018 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	Full year
David Greig	General Manager - Business Development	Full year
Peter Gilford	Chief Financial Officer / Company Secretary	Full year
David Kent	General Manager - Corporate Services	Full year

2 Remuneration Governance

The Board oversees the remuneration arrangements of the KMP.

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.

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 and divisional ◦ 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.

	2018	2017	2016	2015	2014	2013
Reported net profit/(loss) attributable to equity holders of the parent ($m)	23.6	31.2	24.2	54.4	55.4	49.5
Reported return on equity (%)	7.4	11.6	9.5	21.7	22.5	23.3
Reported basic earnings per share (cents)	9.1	13.7	10.4	24	30.3	31.5
Long term injury frequency rate (LTIFR)	0	0	0	0	0	2
Total recordable injury frequency rate (TRIFR)	7.8	7.8	13.7	14.8	15.3	15.9
Shareholders' Wealth						
Interim dividend declared (cents)	3.0	4.5	4.0	7	6.5	4.5
Final dividend declared (cents)	3.5	4.5	4.5	7.5	7.5	5.5
Special dividend declared (cents)	-	-	-	25	30	-
Share price at 30 June (cents)	120	165	126	77	185	177
Total shareholder return (TSR %) [1]	(23.3)	38.1	74.6	(37.0)	28.2	(17.3)
3 year Annual Compound TSR [1]	23.2	6.3	8	(9.0)	10.3	-

[1] All dividends in the TSR (Total Shareholder Return) calculation are on a declared (rather than paid) basis in respect to each financial year.

5 Executive remuneration outcomes

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 $679,423 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 no STI payable for Mr Tuckwell for 2018 as most KPI's were not 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 2017 Annual General Meeting the Board sought and received approval for the grant of 184,619 Performance Rights pursuant to the Company's Performance Rights Plan (PRP). Subject to the relevant performance hurdles being met, these may vest in June 2020.

5.2 Total Fixed Remuneration (TFR)

All Executives received TFR as outlined in page 26 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. The amount of bonus actually earned will depend on performance against predetermined KPIs with payment commencing upon reaching those hurdles.	
Eligibility	All executive key management personnel.	
At risk payments	**2017**: The STI Plan was suspended for the six months to 31 December 2016.	
		% of TFR paid on Target Achievement
	CEO	25% (6 months)
	Executive Directors	25% (6 months)
	Other Executive KMP	7.5% (6 months)
	2018: The STI is a component of 'at risk' pay provided to Executives and KMP.	
		% of TFR paid on Target Achievement
	CEO	25%
	Executive Directors	25%
	Other Executive KMP	15%
Performance conditions	**2017**: KPIs are set for the Group – 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.	
	2018: Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive. 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	Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive.	
Assessment of KPIs	Performance is measured quantitatively and progress against key targets measured at half year and full year.	
Trigger for payment	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	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

As only 2 of the 5 applicable KPI's in the STI performance conditions above for Executives and KMP were met no STI was paid to any executive.

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	**2017**: 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 to relative Total Shareholder Return (TSR).	
		% of TFR applied in LTI
	CEO	25%
	Executive Directors	25%
	Other Executive KMP	20%
	2018: No changes	
		% of TFR applied in LTI
	CEO	25%
	Executive Directors	25%
	Other Executive KMP	20%

LTI Plan (cont)	
Performance conditions	**2017**: 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.
	2018: No changes
TSR Comparator Group	**2017**: Assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI).
	2018: No changes.
Assessment of KPIs	**2017**: Performance is measured quantitatively and progress against key targets reported at full year.
	2018: No changes.
Trigger for vesting	**2017**: 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.
	2018: No changes.
Cessation of employment	**2017**: LTI forfeited if an Executive resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.
	2018: 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 2018 no options were held by KMP.

5.8 KMP performance rights

During the 2018 financial year 972,231 (2017: 1,196,083) performance rights were granted under the Group's Performance Rights Plan and 334,637 (2017: 407,768) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2020. As at 30 June 2018 there were 2,014,485 (2017: 2,528,307) performance rights outstanding. On 14 November 2017 shareholders approved the issue of 184,619 performance rights to the Managing Director Mr Chris Tuckwell and 146,775 performance rights to the Operations Director Mr Geoff Baker.

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 2018	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	712,991	184,619	-	-	897,610	(444,737)	-	452,873
Geoff Baker Executive Director	579,292	146,775	-	-	726,067	(363,816)	-	362,251
Tim Gooch General Manager - Mining	387,711	98,339	-	-	486,050	(241,450)	-	244,600
Mitch Wallace General Manager - Brazil Operations	400,242	101,307	-	-	501,549	(249,932)	-	251,617
Mark Davidovic General Manager - Civil and Infrastructure	-	103,781	-	-	103,781	-	-	103,781
David Greig General Manager - Business Development	136,556	84,489	-	-	221,045	-	-	221,045
David Kent General Manager - Corporate Services	-	90,244	-	-	90,244	-	-	90,244
Peter Gilford Chief Financial Officer / Company Secretary	311,515	92,500	-	-	404,015	(186,118)	-	217,897
Hugh (Andrew) Edwards Chairman	-	-	-	-	-	-	-	-
Linton Kirk Non-executive Director	-	-	-	-	-	-	-	-
Robert Ryan Non-executive Director	-	-	-	-	-	-	-	-
Total	2,528,307	902,054	-	-	3,430,361	(1,486,053)	-	1,944,308

In addtion to the above there were 70,177 performance rights issues to employees not classed as KMP.

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 2018	Balance at beginning of year	Granted as remuneration during the year	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	-	87,500	74,064	-	774,064
Geoff Baker						
Executive Director	12,500,000	-	-	-	-	12,500,000
Tim Gooch						
General Manager - Mining	-	-	-	43,021	-	43,021
Mitch Wallace						
General Manager - Brazil Operations	-	-	-	40,343	-	40,343
Mark Davidovic						
General Manager - Civil and Infrastructure	-	-	-	-	-	-
David Greig						
General Manager - Business Development	-	-	-	-	-	-
David Kent						
General Manager - Corporate Services	-	-	-	-	-	-
Peter Gilford						
Chief Financial Officer	27,500	-	-	31,858	-	59,358
Hugh (Andrew) Edwards						
Chairman	20,000	-	-	-	-	20,000
Linton Kirk						
Non-executive Director	50,000	-	-	-	-	50,000
Robert Ryan						
Non-executive Director	18,604	-	10,000	-	-	28,604
Total	13,228,604	-	97,500	189,286	-	13,515,390

5.10 KMP remuneration

5.10.1 Employment benefits and payments for the year ended 30 June 2018

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		
	Year	Salary, fees and leave $	Committee fees $	Cash bonus/STI $	Non-monetary $	Other $	Superannuation $	Other $	Incentive plans $	LSL $	Share / Units $	Options / Rights $	Total $
Executive Directors													
Chris Tuckwell	2018	643,566	-	-	-	44,384	25,000	-	-	-	-	185,859	898,809
Managing Director / Chief Executive Officer	2017	628,165	-	70,671	-	41,836	25,000	-	-	-	-	145,996	911,668
Geoff Baker	2018	557,390	-	-	-	-	-	-	-	-	-	143,819	701,209
Operations Director	2017	559,080	-	56,142	-	-	-	-	-	-	-	91,333	706,555
Total compensation for Executive Directors	**2018**	**1,200,956**	**-**	**-**	**-**	**44,384**	**25,000**	**-**	**-**	**-**	**-**	**329,678**	**1,600,018**
	2017	**1,187,245**	**-**	**126,813**	**-**	**41,836**	**25,000**	**-**	**-**	**-**	**-**	**237,329**	**1,618,223**
Non-executive Directors													
Andrew Edwards	2018	141,552	-	-	-	-	13,447	-	-	-	-	-	154,999
Chairman	2017	141,552	-	-	-	-	13,447	-	-	-	-	-	154,999
Linton Kirk [1]	2018	125,517	-	-	-	-	8,042	-	-	-	-	-	133,559
	2017	91,370	-	-	-	-	7,846	-	-	-	-	-	99,216
Robert Ryan [2]	2018	115,168	-	-	-	-	-	-	-	-	-	-	115,168
	2017	131,962	-	-	-	-	-	-	-	-	-	-	131,962
Total compensation for Non-executive Directors	**2018**	**382,237**	**-**	**-**	**-**	**-**	**21,489**	**-**	**-**	**-**	**-**	**-**	**403,726**
	2017	**364,884**	**-**	**-**	**-**	**-**	**21,293**	**-**	**-**	**-**	**-**	**-**	**386,177**

	Year	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
		$	$	$	$	$	$	$	$	$	$	$	$
Executives (KMP)													
Tim Gooch	2018	407,648	-	-	-	25,006	38,726	-	-	-	-	96,371	567,751
General Manager - Mining	2017	397,893	-	28,211	-	21,085	37,800	-	-	-	-	80,183	565,172
Mitch Wallace	2018	495,028	-	-	-	-	-	-	-	-	-	99,402	594,430
General Manager - Brazil Operations	2017	427,930	-	29,062	-	6,388	20,769	-	-	-	-	80,932	565,081
Mark Davidovic [3]	2018	456,103	-	-	-	-	24,411	-	-	-	-	26,812	507,326
General Manager - Civil and Infrastructure	2017	191,769	-	11,256	-	-	13,805	-	-	-	-	-	216,830
David Greig [4]	2018	397,276	-	-	-	-	35,176	-	-	-	-	50,504	482,956
General Manager - Business Development	2017	395,000	-	26,536	-	-	35,150	-	-	-	-	28,677	485,363
Peter Gilford	2018	361,421	-	-	-	27,204	24,129	-	-	-	-	81,257	494,011
Chief Financial Officer / Company Secretary	2017	345,180	-	24,234	-	25,643	29,956	-	-	-	-	63,893	488,906
David Kent [5]	2018	429,778	-	-	-	-	23,330	-	-	-	-	23,314	476,422
General Manager - Corporate Services	2017	256,944	-	26,536	-	-	22,885	-	-	-	-	-	306,365
Total compensation for Executives	**2018**	**2,547,254**	**-**	**-**	**-**	**52,210**	**145,772**	**-**	**-**	**-**	**-**	**377,660**	**3,122,896**
	2017	**2,014,716**	**-**	**145,835**	**-**	**53,116**	**160,365**	**-**	**-**	**-**	**-**	**253,685**	**2,627,717**

5.10 KMP remuneration (cont)

Former KMP													
Maurice Dessauvagie [6]	2018	-	-	-	-	-	-	-	-	-	-	-	-
General Manager - Civil and Infrastructure	2017	287,774	-	-	-	-	25,786	-	-	-	-	83,880	397,440
Total compensation for former KMP	**2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2017	**287,774**	**-**	**-**	**-**	**-**	**25,786**	**-**	**-**	**-**	**-**	**83,880**	**397,440**
Total compensation for KMP	**2018**	**4,130,447**	**-**	**-**	**-**	**96,594**	**192,261**	**-**	**-**	**-**	**-**	**707,338**	**5,126,640**
	2017	**3,854,619**	**-**	**272,648**	**-**	**94,952**	**232,444**	**-**	**-**	**-**	**-**	**574,894**	**5,029,557**

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

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

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

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

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	2018	-	-	20.7	79.3	100.0
Managing Director / Chief Executive Officer	2017	7.8	-	16.0	76.2	100.0
Geoff Baker	2018	-	-	20.5	79.5	100.0
Operations Director	2017	7.9	-	12.9	79.2	100.0
Non-executive Directors						
Andrew Edwards	2018	-	-	-	100.0	100.0
Chairman	2017	-	-	-	100.0	100.0
Linton Kirk	2018	-	-	-	100.0	100.0
	2017	-	-	-	100.0	100.0
Robert Ryan	2018	-	-	-	100.0	100.0
	2017	-	-	-	100.0	100.0
Executives (KMP)						
Tim Gooch	2018	-	-	17.0	83.0	100.0
General Manager - Mining	2017	5.0	-	14.2	80.8	100.0
Mitch Wallace	2018	-	-	16.7	83.3	100.0
General Manager - Brazil Operations	2017	5.1	-	14.3	80.6	100.0
Mark Davidovic [1]	2018	-		5.3	94.7	100.0
General Manager - Civil and Infrastructure	2017[1]	5.2	-	-	94.8	100.0
David Greig [2]	2018	-	-	10.5	89.5	100.0
General Manager - Business Development	2017[2]	5.5	-	-	94.5	100.0
Peter Gilford	2018	-	-	16.4	83.6	100.0
Chief Financial Officer / Company Secretary	2017	5.0	-	13.1	81.9	100.0
David Kent [3]	2018	-	-	4.9	95.1	100.0
General Manager - Corporate Services	2017[3]	8.7	-	-	91.3	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						
Maurice Dessauvagie [4]	2018	-	-	-	-	-
General Manager - Civil and Infrastructure	2017[4]	-	-	21.1	78.9	100.0

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

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

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

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

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
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 2% with effect from 5th March 2018 in line with KMP increases.

Non-executive Directors	$ / Chairman	Member
Andrew Edwards	$155,000 Board	Audit Committee Risk Committee Remuneration Committee
Linton Kirk	$94,554 Audit Committee Risk Committee	Remuneration Committee
Robert Ryan	$94,554 Remuneration Committee	Audit Committee Risk committee

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

Key management person and/or related party	Transaction	2018 $	2017 $
Partnership comprising entities controlled by current director Mr G Baker and former directors Mr J Moore, Mr D Edwards and Mr F Maher.	Expense - Rent on Division St business premises.	1,598,815	1,589,382
Kirk Mining Consultants - a company controlled by current director Mr L Kirk.	Expense - Mining consulting fees	40,860	8,780
Hensman Properties Pty Ltd - a company controlled by current director Mr R. Ryan.	Expense - Consulting fees	43,658	41,962
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.	2,381,300	1,922,082

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

Key management person and/or related party	Transaction	2018 $	2017 $
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.		263,548	110,000

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, 2018

Perth

AUDITOR'S INDEPENDENCE DECLARATION

MOORE STEPHENS

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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 2018 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 2018

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.

Principle	ASX Corporate Governance Principles and Best Practice Recommendations	Reference	Compliance
1.0	Lay Solid Foundations for Management and Oversight		
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	1.1	✓
1.2	Prior to appointing a Director a company should undertake appropriate checks (e.g. checks as to the persons character, experience, education, criminal record and bankruptcy history) before appointing a person, or putting forward to security holders a candidate for election, as a Director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	1.2	✓
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 Remuneration Report	✓
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	✓
1.5	A listed entity shall have: (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; (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; • 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 • 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.	1.5 Cultural Diversity Policy / Disclosure - Diversity Procedure	✓
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	1.6 Disclosure - Performance Evaluation	✓
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	1.7 Disclosure - Performance Evaluation	✓

CORPORATE GOVERNANCE STATEMENT

Principle	ASX Corporate Governance Principles and Best Practice Recommendations	Reference	Compliance
2.0	Structure of Board to Add Value		
2.1	The Board of a listed entity should have a nomination committee which: • has at least three members, a majority of whom are independent Directors; and • is chaired by an independent Director, and disclose: • the charter of the committee; • the members of the committee; and • 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.	2.1 Directors Report / Board Charter / Nomination Committee Charter	✓
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	Disclose: • the names of the Directors considered by the Board to be independent Directors; • 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 • the length of service of each Director.	2.3 Definition of Independence	✓
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 / Nomination Committee Charter	✓
3.0	Promote Ethical and Responsible Decision-Making		
3.1	The Board of a listed entity should have a code of conduct for its Directors, senior executives and employees and disclose that code or a summary of it.	3.1 Corporate Code of Conduct	✓
4.0	Safeguard Integrity in Corporate Reporting		
4.1	The Board of a listed entity should have an audit committee which: • has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and • is chaired by an independent Director, who is not chair of the Board, and disclose: • the charter of the committee; • the relevant qualifications and experience of the members of the committee; and • 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.	4.1 Audit Committee Charter	✓
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Managing Director and Chief Financial Officer a declaration that, in their opinion: • the financial records of the entity have been properly maintained; • 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; • the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and • the institution of processes to ensure Managing Director and Chief Financial Officer declarations are tabled at Board meetings that approve financial statements.	4.2	✓
4.3	Ensure that its independent auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	4.3	✓
5.0	Make Timely and Balanced Disclosure		
5.1	Establish written policies designed to ensure compliance with ASX Listing rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those polices.	5.1 Disclosure - Continuous Disclosure	✓

Principle	ASX Corporate Governance Principles and Best Practice Recommendations	Reference	Compliance
6.0	Respect the Rights of Security Holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	6.1 Shareholder Communication Strategy	✓
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	✓
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	✓
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	✓
7.0	Recognise and Manage Risk		
7.1	The Board of a listed entity should have a committee or committees to oversee risk, each of which: • has at least three members, a majority of whom are independent Directors; • is chaired by an independent Director, and disclose: • the charter of the committee; • the members of the committee; and • 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.	7.1 Risk Committee Charter	✓
7.2	The Board or a committee of the Board should: • review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and • disclose, in relation to each reporting period, whether such a review has taken place.	7.2 Disclosure - Risk Management	✓
7.3	A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs.	7.3	✓
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	7.4	✓
8.0	Remunerate Fairly and Responsibly		
8.1 8.2	The Board should establish a remuneration committee. The remuneration committee should be structured so that it; • has at least three members, a majority of whom are independent Directors; and • is chaired by an independent Director, and disclose: • the charter of the committee; • the members of the committee; and 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.	8.1 8.2 Remuneration Report / Remuneration Committee Charter	✓
8.3	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.	8.3 Remuneration Report	✓
8.4	A listed entity which has an equity-based remuneration scheme should 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 disclose that policy or a summary of it.	8.4 Remuneration Report	✓

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2018

	Section	2018 $'000	2017 $'000
Revenue	3.1(a)	562,594	497,922
Other Income	3.1(b)	29,086	23,906
Direct Costs		(543,805)	(456,406)
Finance Costs		(2,084)	(3,813)
Share Based Payment Expense		-	(103)
Impairment of Goodwill		(3,338)	-
Foreign Exchange Gains /(Losses)		2,552	(1,584)
Other Expenses from Ordinary Activities		(13,376)	(15,814)
Profit Before Income Tax		31,629	44,108
Income Tax Expense	3.6.1(a)	(9,962)	(12,915)
Profit for the Year		21,667	31,193
Other Comprehensive Income:			
Exchange Differences on Translating Foreign Operations		(10,446)	(1,829)
Fair Value Gains/(Loss) on Available-For-Sale Financial Assets, Net of Tax		-	806
Total Comprehensive Income for the Year		11,221	30,170
Profit / (Loss) Attributable to:			
- Non-controlling Interest		(1,928)	(864)
- Members of the Parent Entity		23,595	32,057
		21,667	31,193
Total Comprehensive Income Attributable to:			
- Non-controlling Interest		(1,928)	(864)
- Members of the Parent Entity		13,149	31,034
		11,221	30,170
Earnings per Share:			
- Basic Earnings per Share (cents)	3.6.4	9.06	13.72
- Diluted Earnings per Share (cents)	3.6.4	8.95	13.62

The accompanying Sections form part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2018

	Section	2018 $'000	2017 $'000
Current Assets			
Cash and Cash Equivalents	5.1.1	108,239	112,008
Trade and Other Receivables	4.1	124,687	113,667
Loans to Other Companies	4.1	7,618	9,675
Inventory	4.2	13,649	13,647
Work In Progress	4.2	(2,023)	(345)
Financial Assets	4.1	2,257	-
Other Assets	4.2	1,395	1,756
Total Current Assets		255,822	250,408
Non Current Assets			
Trade and Other Receivables	4.1	39,165	-
Property, Plant and Equipment	4.4	114,785	128,905
Loans to Other Companies	4.1	19,975	-
Financial Assets	4.1	2,179	1,648
Goodwill	4.5	3,187	6,526
Deferred Tax Assets	3.6.2(a)	11,265	8,037
Total Non Current Assets		190,556	145,116
Total Assets		446,378	395,524
Current Liabilities			
Trade and Other Payables	4.6	64,620	64,042
Financial Liabilities	5.2.1	14,991	21,838
Current Tax Liabilities	3.6.2(b)	1,226	3,428
Short-term Provisions	4.7	11,838	10,402
Total Current Liabilities		92,675	99,710
Non Current Liabilities			
Deferred Tax Liabilities	3.6.2(b)	2,958	107
Financial Liabilities	5.2.1	29,910	25,980
Total Non Current Liabilities		32,868	26,087
Total Liabilities		125,543	125,797
Net Assets		320,835	269,727
Equity			
Issued Capital	5.5	269,806	211,333
Reserves	5.6(b)	(17,948)	(7,502)
Retained Profits		67,661	62,652
Parent Interest		319,519	266,483
Non-controlling Interest		1,316	3,244
Total Equity		320,835	269,727

The accompanying Sections form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

	Issued Capital	Retained Profits	Outside Equity Interest	General Reserves	Option Reserve	FX Reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
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
Balance at 1 July 2017	211,333	62,652	3,244	(5,887)	590	(2,205)	269,727
Profit for the Period	-	23,595	(1,928)	-	-	-	21,667
SUB-TOTAL	211,333	86,247	1,316	(5,887)	590	(2,205)	291,394
Other Comprehensive Income:	-	-	-	-	-	-	-
Revaluation of Investment	-	-	-	-	-	(10,446)	(10,446)
SUB-TOTAL	211,333	86,247	1,316	(5,887)	590	(12,651)	280,948
Shares Issued	60,176	-	-	-	-		60,176
Options/Rights Issued	(1,703)	-	-	-	-	-	(1,703)
Options Issued Net of Options Exercised	-	-	-	-	-	-	-
Transactions with Non-controlling Interests	-	-	-	-	-	-	-
Acquisition of Non-controlling Interest	-	-	-	-	-	-	-
Dividends Paid	-	(18,586)	-	-	-	-	(18,586)
Balance at 30 June 2018	269,806	67,661	1,316	(5,887)	590	(12,651)	320,835

The accompanying Sections form part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Section	2018 $'000	2017 $'000
Cash Flows form Operating Activities			
Receipts from Customers		529,526	482,742
Payments to Suppliers and Employees		(509,532)	(399,268)
Dividends Received		147	-
Interest Received		4,342	1,481
Interest Paid		(2,811)	(3,814)
Income Tax Paid		(12,990)	(12,999)
Net Cash Provided By Operating Activities	5.1.2	8,682	68,142
Cash Flow form Investing Activities			
Proceeds from Sale of Property, Plant and Equipment		5,633	3,175
Purchase of Property, Plant and Equipment		(38,769)	(21,909)
Loans Provided to Customers		(17,918)	-
Net Cash Consideration for Acquisition of Subsidiaries		-	(2,677)
Net Cash Used In Investing Activities		(51,054)	(21,411)
Cash Flow form Financing Activities			
Net Proceeds from Share Issue		58,473	-
Net movement in Borrowings		(694)	(27,105)
Dividends Paid by the Parent		(18,586)	(21,025)
Net Cash Provided by / (Used in) Financing Activities		39,193	(48,130)
Net Increase/(Decrease) in Cash Held		(3,179)	(1,399)
Effect of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies		(590)	(2,195)
Cash and Cash Equivalents at the Beginning of the Year		112,008	115,602
Cash and Cash Equivalents at the End of Financial Year	5.1.1	108,239	112,008

The accompanying Sections form part of these Financial Statements

Section 1 General Information

1.1 Reporting Entity

MLD is a limited company incorporated in Australia. The addresses of the Company's registered office and principal places of business are disclosed in the Corporate Directory. The Principal activities of the Company are described in the Directors' Report.

1.2 Statement of Compliance

These Financial Statements are general purpose Financial Statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The Financial Statements comprise the consolidated Financial Statements of the Company. For the purposes of preparing the consolidated Financial Statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the Financial Statements and Sections comply with International Financial Reporting Standards (“IFRS”).

The Financial Statements were authorised for issue by the Directors on 27 August 2018.

1.3 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.

1.4 Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MACA Limited as at 30 June 2018 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.

Section 1 General Information (cont.)

1.5 New Accounting Standards for Application in Future Periods

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:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 July 2018

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments requirements for financial instruments and 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.

Based on an assessment performed over each line of business and product type, the effects of AASB 9 are not expected to have a material effect on the Group.

AASB 2014-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

AASB 2014-7 (issued December 2014) gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issue of AASB 9: Financial Instruments (December 2014). More significantly, additional disclosure requirements have been added to AASB 7: Financial Instruments: Disclosures regarding credit risk exposures of the entity. This Standard also makes various editorial corrections to Australian Accounting Standards and an Interpretation.

AASB 2014-7 mandatorily applies to annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted, provided AASB 9 (December 2014) is applied for the same period.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 July 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Based on an assessment performed over each line of business and product type, the effects of AASB 15 are not expected to have a material effect on the Group.

AASB 2014-5: Amendments to Australian Accounting Standards arising from AASB 15

This Standard is applicable to annual reporting periods beginning on or after 1 January 2017 and makes consequential amendments to various Australian Accounting Standards arising as a result of the issue of AASB 15: Revenue from Contracts with Customers. AASB 2014-5 is not expected to impact the Group's financial statements.

AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15

This Standard amends the mandatory effective date (application date) of AASB 15: Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. Therefore, this Standard also defers the consequential amendments that were originally set out in AASB 2014-5: Amendments to Australian Accounting Standards arising from AASB 15. This deferral is achieved in a variety of ways because some of the Standards amended by AASB 2014-5 have been superseded by new principal versions issued in 2015 that apply to annual reporting periods beginning on or after 1 January 2017 or 2018. This Standard amends Interpretation 1052: Tax Consolidation Accounting to update the cross-references to Standards and to remove the references to dividends and other distributions, so that the wording of Int 1052.45 is appropriate for annual reporting periods beginning on or after 1 January 2018. AASB 15 is also reformatted to follow the structure of the new principal versions of other Standards by deleting or moving the Aus-numbered "Application" paragraphs.

Section 1 General Information

1.5 New Accounting Standards for Application in Future Periods (Cont.)

AASB 2016-3 mandatorily applies to annual reporting periods beginning on or after 1 January 2018, with earlier application permitted.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from 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
- recognise revenue when (or as) the performance obligations are satisfied.

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. Based on an assessment performed over each line of the business the effects of AASB15 are not expected to have a material effect on the Group.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 July 2019

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and lease liability for all leases (excluding short-term leases with a lease term 12 months or less of tenure and leases relating to low-value assets);
- depreciation of right-of-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;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of 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 Group in the process of completing its impact assessment of AASB 16. Based on a preliminary assessment performed over each line of business and lease type, the effect of AASB 16 is not expected to have a material effect on the Group. An estimate of the expected impact of AASB16 will be provided in the acconts for the half year ending 31 December 2018.

1.6 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.

1.7 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.

Section 2 Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report 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 Company.

Key Estimates and Judgements

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.

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.

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.

Section 3 Results for the Year

This section focuses on the results and performance of the Company and includes disclosures explaining the Company's results for the year, segment information, capital and leasing commitments, taxation and EPS.

3.1 Revenue

Accounting Policies

Revenue Recognition

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).

The following is an analysis of the Company's revenue and other income for the year:

Section 3 Results for the Year

3.1 Revenue (Cont.)

3.1(a) Revenue from Operating Activities	2018 $'000	2017 $'000
Contract Trading Revenue	557,325	496,278
Interest Received	4,342	1,480
Other Revenue	927	164
Total Revenue from Operating Activities	562,594	497,922

3.1(b) Other Income	2018 $'000	2017 $'000
Profit / (Loss) on Disposal of Property, Plant and Equipment	1,312	1,125
Reversal of Earnout not Payable	1,500	-
Reversal of Impairment - Crushing	2,217	-
Profit / (Loss) on Sale of Investments	1,060	-
Rebates	22,997	22,781
Total Other Income	29,086	23,906

3.2 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 in three business and two geographical segments, being the provision of civil, SMP 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.

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.

Section 3 Results for the Year

3.2 Operating Segments (Cont.)

Consolidated - June 2018	Mining $'000	Civil / Infrastructure $'000	Interquip 1 $'000	Un-allocated $'000	Total $'000
Revenue					
Total Reportable Segment Revenue	398,368	138,243	20,714	-	557,325
Other Revenue	3,018	954	38	1,259	5,269
Total Revenue	401,386	139,197	20,752	1,259	562,594
Earnings Before Interest, Tax, Depreciation and Amortisation	77,793	2,921	(4,131)	-	76,583
Depreciation and Amortisation	(44,171)	(1,224)	(696)	-	(46,091)
Impairment	2,217	-	(3,338)	-	(1,121)
Interest Revenue	3,018	27	38	1,259	4,342
Finance Costs	(1,745)	(306)	(33)	-	(2,084)
Profit/(Loss) Before Income Tax Expense	37,112	1,418	(8,160)	1,259	31,629
Income Tax Expense					(9,962)
Profit After Income Tax Expense					21,667
Assets					
Segment Assets	288,788	41,382	18,181	97,762	446,113
Total Assets					446,378
Liabilities					
Segment Liabilities	93,391	24,524	5,215	2,148	125,278
Total Liabilities					125,543
Capital Expenditure	38,056	668	735	163	39,622

[1] Structural, Mechanical and Piping business

Consolidated - June 2017	Mining $'000	Civil / Infrastructure $'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

Section 3 Results for the Year

3.2 Operating Segments (Cont.)

Consolidated - June 2017	Mining $'000	Civil / Infrastructure $'000	Unallocated $'000	Total $'000
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

Geographical Information	Revenue		Non-current Assets	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Australia	492,755	416,573	130,445	107,375
Brazil	69,839	81,349	60,111	37,741
Total	562,594	497,922	190,556	145,116

Major Customers

The Group has a number of customers to whom it provides both products and services. The Group supplies 3 single external customers in the mining segment which account for 31.3%, 8.9% and 8.7% of external revenue. (2017: 40%, 15% and 13%). The next most significant client accounts for 8.0% (2017: 8%) of external revenue.

3.3 Operating Costs from Continuing Operations	Section	2018 $'000	2017 $'000
Expenses			
Depreciation and Amortisation			
– Plant and Equipment		44,989	50,356
– Motor Vehicles		789	1,560
– Other		313	183
Total Depreciation and Amortisation Expense		46,091	52,099
Total Employee Benefits Expense		173,341	132,936
Repairs, Service and Maintenance		50,870	55,436
Materials and Supplies		90,110	99,562

3.4 Capital and Leasing Commitments

Accounting Policies

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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.

Section 3 Results for the Year

3.4 Capital and Leasing Commitments (Cont.)

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

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

Operating lease payments are recognised as an expense in profit and loss on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and a reduction of the liability.

(a) Operating Lease Commitments	2018 $'000	2017 $'000
Non-cancellable Operating Leases Contracted For but Not Capitalised in the Accounts:		
Payable — Minimum Lease Payments		
– Not Later Than 12 Months	1,650	1,578
– Between 12 Months and 5 Years	6,038	3,984
– Greater Than 5 Years	7,500	-
Total Operating Lease Commitments	15,188	5,562

(b) Finance Lease Commitments		
Payable — Minimum Lease Payments		
– Not Later Than 12 Months	16,405	24,079
– Between 12 Months and 5 Years	30,804	26,534
– Greater Than 5 Years	-	-
Minimum Lease Payments	47,209	50,613
Less Future Finance Charges	(2,308)	(2,795)
Total Finance Lease Commitments	44,901	47,818

(b) Capital Expenditure Commitments		
Plant and Equipment Purchases	28,005	10,694
Payable		
– Not Later Than 12 Months	28,005	10,694
– Between 12 Months and 5 Years	-	-
– Greater Than 5 Years	-	-
Minimum Commitments	28,005	10,694

$28.0M of commitments for property, plant and equipment expenditure exist at 30 June 2018 (June 2017: $10.7M).

3.5 Auditors Remuneration

Auditor's Remuneration - Moore Stephens	2018 $'000	2017 $'000
Audit or Review of the Financial Report	220	210
Other Non-Audit Services	-	-
Taxation Services	-	-
Total Auditor's Remuneration	220	210

Section 3 Results for the Year

3.6 Taxation

Accounting Policies

Income Tax

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

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

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

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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.

3.6.1 Income Tax Expense	Section	2018 $'000	2017 $'000
(a) The Components of Tax Expense Comprise:			
Current		12,735	15,219
Deferred		(2,773)	(2,304)
		9,962	12,915

Section 3 Results for the Year

3.6.1 Taxation Tax Expense (Cont.)

(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% (2017: 30%)	9,489	13,232
Add Tax Effect of		
– Dividend Imputation	2,408	3,861
– Other Non-allowable Items	1,948	497
– Other Taxable Items	10,069	9,010
– Research and Development Credit	-	-
Less Tax Effect of		
– Franking Credits on Dividends Received	(8,028)	(12,871)
– Other Deductible Items (Losses Not Previously Brought to Account)	(5,924)	(814)
Income Tax Attributable to the Entity	9,962	12,915
The Applicable Weighted Average Effective Tax Rate as	31.5%	29.3%

3.6.2 Current Tax Assets and Liabilities	Section	2018 $'000	2017 $'000
(a) Tax Assets			
Non Current			
Deferred Tax Assets Comprise:			
Provisions		3,980	3,611
Losses		6,585	3,596
Other		700	830
Total Current Tax Assets		11,265	8,037
(b) Tax Liabilities			
Current			
Income Tax		1,226	3,428
Total Current Tax Liabilities		1,226	3,428
Non Current			
Deferred Tax Liability Comprise:			
Depreciation		2,835	113
Other		123	(6)
Total Non Current Tax Liabilities		2,958	107

3.6.3 Reconciliations	Section	2018 $'000	2017 $'000
(a) Gross Movements			
The Overall Movement In the Deferred Tax Account is as Follows:			
Opening Balance		7,930	5,620
(Charge)/Credit To Income Statement		739	2,310
(Charge)/Credit To Equity		(362)	-
Closing Balance		8,307	7,930

Section 3 Results for the Year

3.6.3 Reconciliations (Cont.)	Section	2018 $'000	2017 $'000
(b) Deferred Tax Liabilities			
The Movement In Deferred Tax Liabilities For Each Temporary Difference During the Year is as Follows:			
Other:			
Opening Balance		107	113
Charge / (Credit) To Income Statement		2,851	(6)
Charge / (Credit) To Equity		-	-
Closing Balance		2,958	107
(c) Deferred Tax Assets			
The Movement In Deferred Tax Assets For Each Temporary Difference During the Year is as Follows:			
Provisions:			
Opening Balance		3,611	3,012
Credit To Income Statement		369	599
Closing Balance		3,980	3,611
Losses:			
Opening Balance		3,596	2,019
(Charge) / Credit To Income Statement		2,989	1,577
Closing Balance		6,585	3,596
Other:			
Opening Balance		830	702
Charge / (Credit) To Income Statement		232	128
Charge / (Credit) To Equity		(362)	-
Closing Balance		700	830

3.6.4 Earnings per Share

Accounting Policies

Basic EPS

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares during the financial year.

Diluted EPS

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares and performance rights for the effects of all dilutive potential ordinary shares.

Section 3 Results for the Year

3.6.4 Earnings per Share (Cont.)

	2018 Cents per Share	2017 Cents per Share
a. Reconciliation Of Earnings To Profit and Loss		
Profit	21,667	31,193
(Profit)/loss Attributable To Non-controlling Interest	1,928	864
Earnings Used To Calculate Basic EPS	23,595	32,057
Earnings Used in the Calculation of Dilutive EPS	23,595	32,057
b. Weighted Average Number (000) of Ordinary Shares Outstanding During the Year In Calculating Basic EPS	260,428	233,628
Weighted Average Number (000) of Dilutive Options Outstanding	3,115	1,802
Weighted Average Number (000) of Ordinary Shares Outstanding During the Year Used In Calculating Dilutive EPS	263,543	235,430

Section 4 Assets and Liabilities

This Section shows the assets used to generate the Company's trading performance and the liabilities incurred as a result. Liabilities relating to the Company's financing activities are addressed in Section 5. Current and deferred tax assets and liabilities are shown in Section 3.7.

4.1 Trade and Other Receivables

Accounting Policies

Trade and other receivables represent the asset outstanding at the end of the reporting period for goods and services provided by the Group during the reporting period which remain unpaid. The balance is recognised as a current asset with the amount normally being received within 30 to 45 days of recognition of the receivable.

Trade and Other Receivables	Section	2018 $'000	2017 $'000
Current			
Trade Debtors		116,502	113,667
Debtors subject to Payment Arrangements - Current		8,185	
Total Current		124,687	113,667
Debtors Subject to Payment Arrangements - Non-current		39,165	-
Total Trade and Other Receivables		163,852	113,667
Loans to Other Companies			
Loans to Other Companies - Current		7,618	7,114
Loans to Other Companies - Non-current		19,975	883
Total Loans to Other Companies		27,593	7,997
Available For Sale Financial Assets			
Shares in Listed Corporations at Fair Value - Current		2,257	-
Shares in Listed Corporations at Fair Value - Non-current		2,179	1,648
Total Available For Sale Financial Assets		4,436	1,648

Section 4 Assets and Liabilities

4.1 Trade and Other Receivables (Cont.)

Credit risk

The Group has approximately 28.7% (2017: 32.1%) 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. Management of credit risk is discussed in Section 5.3 Financial Risk Management. 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	Past due and impaired	Past due but not impaired	Within initial trade terms
	$’000	$’000	$’000	$’000
30-Jun-18				
Trade and Term Receivables	124,687	-	5,301	119,386
Other Receivables	39,165	-	39,165	-
Total Trade and Term Receivables	163,852	-	44,466	119,386
30-Jun-17				
Trade and Term Receivables	113,667	-	25,625	88,042
Other Receivables	-	-	-	-
Total Trade and Term Receivables	113,667	-	25,625	88,042

Financial Assets Classified as Loans and Receivables	Section	2018 $'000	2017 $'000
Trade and Other Receivables			
- Total Current		124,687	113,667
- Total Non-current		39,165	-
		163,852	113,667
Other loans			
- Total Current	4.1	7,618	9,675
- Total Non-current	4.1	19,975	-
		27,593	9,675

4.2 Inventories and Work In Progress (WIP)

Accounting Policies

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.

Inventories and Work In Progress (WIP)	2018 $'000	2017 $'000
Inventories	13,649	13,647
WIP	(2,023)	(345)
Total Inventories and Work in Progress (WIP)	11,626	13,302

Section 4 Assets and Liabilities

4.3 Other Current Assets	2018	2017
Other Current Assets	$'000	$'000
Prepayments	544	103
Deposit	851	1,653
Total Other Current Assets	1,395	1,756

4.4 Property, Plant and Equipment

Accounting Policies

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% – 40.0%
Low Value Pool	18.75% – 37.5%
Motor Vehicles	18.75% – 50%

Section 4 Assets and Liabilities

4.4 Property, Plant and Equipment (Cont.)

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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.

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	2018 $'000	2017 $'000
PLANT AND EQUIPMENT		
Plant and Equipment – at Cost	479,623	472,703
Accumulated Depreciation and Impairment	(372,355)	(351,877)
	107,268	120,826
Motor Vehicles – at Cost	12,436	13,317
Accumulated Depreciation	(9,283)	(9,728)
	3,153	3,589
Land and Building – at Cost	3,272	3,180
Accumulated Depreciation	(440)	(419)
	2,832	2,761
Leased Plant and Equipment – at Cost	-	1,080
Accumulated Depreciation	-	(1,080)
	-	-
Low Value Pool – at Cost	409	419
Accumulated Depreciation	(281)	(146)
	128	273
Leasehold Improvements – at Cost	2,529	2,400
Accumulated Depreciation	(1,125)	(944)
	1,404	1,456
Total Plant and Equipment	110,549	124,688
Total Property, Plant and Equipment	114,785	128,905

Section 4 Assets and Liabilities

4.4 Property, Plant and Equipment (Cont.)

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 2018 there have been no indicators of impairment.

	Plant and Equipment	Motor Vehicles	Land and Buildings	Leased Plant and Equipment	Low Value Pool	Leasehold Improvements	Total
Consolidated:	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2016	146,850	3,897	1,930	-	57	1,433	154,167
Additions	28,548	1,948	853	-	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	(50,356)	(1,560)	(22)	-	(6)	(155)	(52,099)
Balance at 30 June 2017	120,826	3,589	2,761	-	273	1,456	128,905

	Plant and Equipment	Motor Vehicles	Land and Buildings	Leased Plant and Equipment	Low Value Pool	Leasehold Improvements	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2017	120,826	3,589	2,761	-	273	1,456	128,905
Additions	38,767	564	123	-	-	168	39,622
Additions through Business Combinations	-	-	-	-	-	-	-
Disposals	(6,589)	(211)	(31)	-	(74)	-	(6,905)
Reversal of Impairment	2,217	-	-	-	-	-	2,217
Foreign Currency movements	(2,963)	-	-	-	-	-	(2,963)
Depreciation expense	(44,990)	(789)	(21)	-	(71)	(220)	(46,091)
Balance at 30 June 2018	107,268	3,153	2,832	-	128	1,404	114,785

4.5 Intangible Assets

Accounting Policies

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.

Section 4 Assets and Liabilities

4.5 Intangible Assets (Cont.)

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.

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.

Goodwill and Other Tangibles	2018 $'000	2017 $'000
Carrying Value of Goodwill and Other Tangibles	3,187	6,525

Allocation of Goodwill to Cash Generating Unit

Goodwill is allocated to the Company’s cash generating units identified according to operating segment. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment. The carrying amount of goodwill was allocated to cash generating units as follows:

Goodwill and Other Tangibles		
MACA Infrastructure	3,187	3,187
MACA Interquip	-	3,338
Goodwill Carrying Amount	3,187	6,525

Impairment Test for Goodwill

The recoverable amount of the goodwill in each cash generating unit is based on value in use calculations. These calculations use cash flow projections based on the following year’s budget and increased for growth at 2.5% for the forecast period being five years.

The key assumptions used in the value in use calculations as at 30 June 2018 and 30 June 2017 were as follows:

- growth rate used to extrapolate cash flows beyond the forecast period: 2.5% (2017: 2.0%);
- pre-tax discount rate: 16.6% (2017: 16.6%); and
- divisional Revenue, EBIT, working capital adjustments and maintenance capital expenditure.

Section 4 Assets and Liabilities

4.6 Trade and Other Payables

Accounting Policies

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 45 days of recognition of the liability.

Payables	2018 $'000	2017 $'000
Current		
Unsecured Liabilities:		
Trade Creditors	45,723	48,483
Sundry Creditors and Accruals	18,897	15,559
Total Trade and Other Payables	64,620	64,042

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

Financial Liabilities at Amortised Cost Classified as Trade and Other Payables		
Trade and Other Payables		
- Total Current	64,620	64,042
- Total Non-current	-	-
Total Trade and Other Payables	64,620	64,042

4.7 Provisions

Accounting Policies

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.

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.

	2018 $'000	2017 $'000
Employee Entitlements	11,838	10,402
Movement in Provisions		
Opening Balance as at 1 July	10,402	9,954
Additional Provisions	13,236	11,066
Amounts Used	(11,800)	(10,618)
Closing Balance as at 30 June	11,838	10,402

Section 5 Capital Structure and Financing Costs

This Section outlines how the Company manages its capital structure, including its balance sheet liquidity and access to capital markets.

The Directors determine the appropriate capital structure of MLD, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the Company's activities both now and in the future. The Directors consider the Company's capital structure and dividend policy at least annually and do so in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan.

During FY18, the Company complied with all the financial covenants of its borrowing facilities.

5.1 Cash and Cash Equivalents

Accounting Policies

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. The Company does not have any Bank overdraft facilities.

5.1.1 Cash and Cash Equivalents	2018 $'000	2017 $'000
	108,239	112,008

5.1.2 Cash Flow Information		2018 $'000	2017 $'000
Reconciliation of Cash Flow from Operations with Operating Profit After Tax			
Operating Profit After Income Tax		21,667	31,193
Non-cash Flows in Profit			
Depreciation and Amortisation		46,092	52,099
Impairment		3,338	-
Net (Gain)/Loss on Disposal of Plant and Equipment	4.4	(2,010)	(1,125)
Net (Gain)/Loss on Disposal of Investments		212	-
Net (Gain)/Loss on Intangibles	4.5	-	-
Foreign Exchange Losses		(1,228)	1,584
Share Based Payment	5.6(a)	-	103
Total Non-Cash Flows in Profit		46,404	52,661
Movements in Working Capital			
(Increase)/Decrease in Trade and Other Receivables		(58,825)	(36,481)
(Increase)/Decrease in Other Assets		(746)	(490)
(Increase)/Decrease in Inventories and Work-In-Progress		654	1,189
Increase/(Decrease) in Trade and Other Payables		1,119	22,251
Increase/(Decrease) in Income Tax Payable		(3,222)	2,348
Increase/(Decrease) in Deferred Tax Payable		194	(2,433)
Increase/(Decrease) in Provisions		1,437	(2,096)
Total Working Capital Movements		(59,389)	(15,712)
Net Cash Increase/(Decrease) from Operating Activities		8,682	68,142

5.1.3 Non-Cash Financing and Investing Activities

During the year the economic entity acquired $19.5 million in plant and equipment (2017: $9.5M) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

Section 5 Capital Structure and Financing Costs

5.1 Cash and Cash Equivalents (Cont)

There were no acquisitions for the year ended 30 June 2018

	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 section 6.1:	
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 A+cquisition 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)

Shares Issued

During the 2018 year 233,506 performance rights vested to KMPs and other Executives for no consideration (2017: 261,830). On vesting, the performance rights converted into ordinary fully paid shares.

Insurance Bonding Facilities

The Company has an insurance bonding facility and bank guarantee facilities totalling $18.1 million. At 30 June 2018 the amount drawn on the facility was $14.9 million (2017: $8.3 million).

5.2 Interest Bearing Loans and Borrowings

Accounting Policies

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.

5.2.1 Financial Liabilities	2018 $'000	2017 $'000
Current		
Secured Liabilities		
Finance Lease Liability	14,991	21,838
Total Current Financial Liabilities	14,991	21,838

Section 5 Capital Structure and Financing Costs

5.2 Interest Bearing Loans and Borrowings (Cont.)

Non-current	2018 $'000	2017 $'000
Secured Liabilities		
Finance Lease Liability	29,910	25,980
Total Non-current Financial Liabilities	29,910	25,980
Finance Lease Liability	44,901	47,818
Total Current and Non-current Secured Liabilities:	44,901	47,818
Carrying Amounts of Non-current Assets Pledged as Security	45,230	60,291

5.3 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:

Accounting 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.

Financial Assets	2018 $'000	2017 $'000
Cash and Cash Equivalents	108,239	112,008
Loans and Receivables		
— Trade and Other Receivables	163,852	113,667
— Other Loans	27,593	9,675
Available-for-Sale Financial Assets:		
— At Fair Value		
— Listed Investments	4,436	1,648
Total Financial Assets	304,120	236,998
Financial Liabilities		
Financial Liabilities at Amortised Cost		
— Trade and Other Payables	64,620	64,042
— Borrowings	44,901	47,818
Total Financial Liabilities	109,521	111,860

Section 5 Capital Structure and Financing Costs

5.3 Financial Risk Management (Cont.)

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.

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 30 to 45 days from the invoice date.

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. 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.

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 Section 6.7 Parent Entity Disclosures for details).

The Group has approximately 28.7% (2017: 32.1%) 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 Section 4.1. 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.

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

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.

Section 5 Capital Structure and Financing Costs

5.3 Financial Risk Management (Cont.)

Liquidity Risk

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Financial Liability and Financial Asset Maturity Analysis	'000	'000	'000	'000	'000	'000	'000	'000
Financial Liabilities Due for Payment								
Trade and Other Payables	64,620	64,042	-	-	-	-	64,620	64,042
Finance Lease Liabilities	14,991	21,838	29,910	25,980	-	-	44,901	47,818
Total Contractual Outflows	79,611	85,880	29,910	25,980	-	-	109,521	111,860
Total Expected Outflows	79,611	85,880	29,910	25,980	-	-	109,521	111,860
Financial Assets - Cash Flows Realisable								
Cash and Cash Equivalents	108,239	112,008	-	-	-	-	108,239	112,008
Trade, Term and Loans Receivables	124,687	123,342	39,165	-	-	-	163,852	123,342
Other Investments	9,875	-	22,154	1,648	-	-	32,029	1,648
Total Anticipated Inflows	242,801	235,350	61,319	1,648	-	-	304,120	236,998
Net (Outflow)/Inflow on Financial Instruments	163,190	149,470	31,409	(24,332)	-	-	194,599	125,138

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

Market Risk

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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	%	%
Financial Assets												
Cash	108,239	112,008	-	-	-	-	-	-	108,239	112,008	1.56	1.69
Trade and Other Receivables	-	-	8,185	-	39,165	-	116,502	124,990	163,852	124,990	6.8	N/A
Loans to Other Companies	-	-	7,618	-	19,975	-	-	-	27,593	-	10	N/A
Total Financial Assets	108,239	112,008	15,803	-	59,140	-	116,502	124,990	299,684	236,998		
Financial Liabilities												
Finance Lease	-	-	14,991	21,838	29,910	25,980	-	-	44,901	47,818	4.66	4.97
Trade and Other Payables	-	-	-	-	-	-	64,620	64,042	64,620	64,042	N/A	N/A
Total Financial Liabilities	-	-	14,991	21,838	29,910	25,980	64,620	64,042	109,521	111,860		

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.

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. The original investment into the Brazilian subsidiary is exposed to fluctuations in the Brazilian Real. To the extent the fluctuations are unrealised they are taken to the foreign currency translation reserve until such time as they are realised. Upon realisation there is a potential negative impact to the profit and loss statement.

Section 5 Capital Structure and Financing Costs

5.3 Financial Risk Management (Cont.)

Summarised 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 2018		
+/- 2% in Interest Rates	+/- 1,266	+/- 1,515
+/- 10% in the Value of Listed Investments	+/- 443	+/- 443
+/- 10% in AUD/BRL Exchange Rate	+/- 407	+/- 4,650
+/- 10% in AUD/USD Exchange Rate	+/- 2,389	+/- 2,389
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

5.4 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.

Section 5 Capital Structure and Financing Costs

5.4 Financial Instruments (Cont.)

a. Financial assets at fair value through profit or loss

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

b. Loans and receivables

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

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

c. Held-to-maturity investments

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

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

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

d. Available-for-sale financial assets

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

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

e. Financial liabilities

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

Fair value

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

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.

Section 5 Capital Structure and Financing Costs

5.5 Equity

Issued Capital	2018 $'000	2017 $'000
268,007,708 (2017: 234,343,334) Fully Paid Ordinary Shares With No Par Value	269,805	211,333

Ordinary Shares	No.	No.
At the Beginning of the Reporting Period	234,343,334	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
- 6 September 2017 Conversion of Performance Rights	233,506	
- 20 September 2017 Placement of Securities @ $1.80 per share	33,430,868	
Shares at Reporting Date	268,007,708	234,343,334

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.

Performance Rights

For information relating to performance rights, including details of performance rights issued, exercised and lapsed during the financial year, refer to Section 5.8.

Capital Management

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

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

There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		2018 $'000	2017 $'000
Total Borrowings	5.2.1	44,901	47,818
Less Cash and Cash Equivalents	5.1.1	(108,239)	(112,008)
Net Debt		(63,338)	(64,190)
Total Equity		320,835	269,727
Total Capital		257,497	205,537
Gearing Ratio		(25%)	(31%)

Section 5 Capital Structure and Financing Costs

5.6 Reserves

Accounting Policies

Equity Settled Employee Benefits Reserve

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.

Foreign Operations

The financial transactions of foreign operations whose functional currency is different from the presentation currency are translated at the exchange rates prevailing at the date of the transaction. At the end of the reporting period, assets and liabilities are re-translated at the rates prevailing at that date. Income and expenses are re-translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Consolidated Statement of Financial Position. These differences are recognised in profit and loss in the period in which the operation is disposed.

Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled operations are taken to the exchange fluctuation reserve. Gains or losses accumulated in equity are recognised in the income statement when a foreign operation is disposed.

Reserves	Section	2018 $'000	2017 $'000
Equity-Settled Employee Benefits Reserve	5.6	591	591
Foreign Currency Translation Reserve	5.6(b)	(12,650)	(2,204)
Other Reserves	5.6(a)	(5,887)	(5,887)
Total Reserves		(17,946)	(7,500)
(a) Other Reserves			
Balance at the Beginning of the Year		(5,887)	(3,777)
Transactions with Members		-	(2,110)
Balance at the End of the Year		(5,887)	(5,887)
(b) Foreign Currency Translation Reserve			
Balance at the Beginning of the Year		(2,204)	(376)
Exchange Differences Arising on Translating the Foreign Operations		(10,446)	(1,828)
Balance at the End of the Year		(12,650)	(2,204)

Section 5 Capital Structure and Financing Costs

5.6 Reserves (cont)

The other reserves represent the cumulative effective portion of gains or losses arising on changes in fair value of forward foreign exchange contracts entered into for cash flow hedges, and interest rate swaps. The gain or loss that is recognised in the other reserve will be reclassified to profit or loss only when the transaction affects the profit or loss.

5.7 Dividends

In respect of FY18, the Directors declared the payment of a Final Dividend of 3.5 cents per share fully franked to the holders of fully paid ordinary shares on the Company's register at 6th September 2018 with payment date of 20th September, 2018.

The amount of the Final Dividend is $8.4 million. No provision has been made for the Final Dividend in the Financial Statements as the final dividend was not declared or determined by the Directors on or before the end of the financial year.

	2018		2017	
Distributions Paid	Cents Per Share	$'000	Cents Per Share	$'000
Interim Dividend in Respect of FY18/FY17	0.030	8,040	0.045	10,479
Final Dividend in Respect of FY17/FY16	0.045	10,546	0.045	10,470
Total	0.075	18,586	0.090	20,949
Balance of franking account at year end		37,069		36,145

5.8 Share-Based Compensation

Options

There were no options issued for the year ended 30 June 2018. The weighted average fair value of options granted during the previous year was Nil.

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 2018 financial year 972,231 (2017: 1,196,083) performance rights were granted under the Group's Performance Rights Plan and 334,637 (2017: 407,768) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2020. As at 30 June 2018 there were 2,014,485 (2017: 2,528,307) performance rights outstanding.

Section 5 Capital Structure and Financing Costs

5.8 Share-Based Compensation (Cont.)

The following performance rights arrangement were in existence at 30 June 2018:

	Number	Expiry Date
Unlisted Performance Rights	1,486,053	30-Jun-18
Unlisted Performance Rights	1,042,254	30-Jun-19
Unlisted Performance Rights	972,231	30-Jun-20

	2018 Number	2017 Number
Outstanding at the Beginning of the Year	3,096,450	2,569,967
Granted	972,231	1,196,083
Vested	(233,506)	(261,830)
Cancelled or Expired	(334,637)	(407,770)
Outstanding at the End of the Year	3,500,538	3,096,450
Vested at Year End	(1,486,053)	(568,143)

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 2018 was $0.90 per right. The total share based payment expense for the year ended 30 June 2018 relating to the grant of performance rights in the statement of profit or loss is $298k (2017: 103k). Inputs used to determine the fair value of performance rights granted during the year ended 30 June 2018 were:

- Share price $1.61 being the 30 day VWAP of the Company on the last trading day prior to 30 June 2017
- Exercise price: Nil
- Volatility: 46.4%
- Option life: 3 years
- Dividend yield: 5.2%
- Risk Free Rate 1.94%

Section 6 Other

6.1 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.

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

Refer 4.5 Intangible Assets for treatment and calculation of goodwill.

Section 6 Other

6.1 Business Combinations (Cont.)

BUSINESS COMBINATIONS

2018

There were no acquisitions during the year ended 30 June 2018.

2017

On 15 December 2016 the Group acquired 60% of the issued capital in Interquip Pty Ltd, a company involved in Structural Mechanical 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	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

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.

6.2 Key Management Personnel

The total of remuneration paid to KMP's of the Company during the year was as follows:

	2018 $'000	2017 $'000
The Totals of Remuneration Paid to KMP of the Company and the Group During the Year was as Follows:		
Short-term Employee Benefits	4,186	4,221
Post-employment Benefits	192	232
Other Long-term Benefits	-	-
Share Based Payments	707	575
Total Remuneration	5,085	5,028

Section 6 Other

6.3 Controlled Entities

Details of the Company's subsidiaries at the end of the reporting period are as follows:

	Country of Incorporation	Percentage Owned (%)	
		2018	2017
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%	100%
Marniyarra Mining and Civils Pty Ltd	Australia	50%	50%
Interquip Pty Ltd	Australia	60%	60%

6.4 Related Party Transactions

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:

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.

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

Controlled Entities

Interests in controlled entities are set out Section 6.3.

During the year, funds have been advanced between entities within the Company for the purposes of working capital requirements.

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.

Section 6 Other

6.4 Related Party Transactions (Cont.)

Key Management Person and/or Related Party	Transaction	2018 $	2017 $
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.	1,598,815	1,589,382
Kirk Mining Consultants - a company controlled by current director Mr L.Kirk.	Expense - Mining consulting fees	47,720	8,780
Hensman Properties Pty Ltd - a company controlled by current director Mr R.Ryan.	Expense - Consulting fees	43,658	41,962
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.	2,381,300	1,922,082
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.		263,548	110,000

6.5 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 guarantees described in section 5.1 there were no contingent liabilities as at 30 June 2018 (2017: none).

Performance Guarantees

MLD has indemnified its bankers and insurance bond providers in respect of bank guarantees, insurance bonds and letters of credit to various customers and suppliers for satisfactory contract performance and warranty security, in the following amounts:

30 June 2018: $14.9 million   30 June 2017: $8.3 million

Claims

Certain claims arising out of engineering and construction contracts have been made by, or against, controlled entities in the ordinary course of business. The Directors do not consider the outcome of any of these claims will be materially different to the position taken in the financial accounts of the Company.

6.6 Events After Balance Sheet Date

The Directors have recommended a final dividend payment of 3.5 cents per share. Refer to Section 5.7 for details.

- Subsequent to the end of the reporting period MACA has been awarded an extension at Duketon South for Regis Resources (refer ASX announcement 31 July 2018) that will generate a further $590 million in revenue over a 5 year period from July 2018.
- Subsequent to the end of the reporting period MACA has executed a 10 year ‘life of mine’ contract with Carabella Resources Pty Ltd for the provision of mining services at the Bluff Coal project near Blackwater in the Bowen Basin in Queensland (refer ASX announcement 31 July 2018) that will generate $700 million in revenue over a 10 year period from November 2018.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

6.7 Parent Entity Disclosures

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	2018 $’000	2017 $’000
Assets		
Current Assets	85,310	193,917
Total Assets	375,420	313,732
Liabilities		
Current Liabilities	2,148	3,168
Total Liabilities	2,148	3,200

Section 6 Other

6.7 Parent Entity Disclosures

Equity	2018 $'000	2017 $'000
Issued Capital	362,212	303,740
Reserves	707	707
(Accumulated Losses) / Retained Profits	10,351	6,085
Total Equity	373,270	310,532

Statement of Financial Performance		
Profit For the Year (Including Interco Dividends)	22,852	21,142
Total Comprehensive Income	22,852	21,142

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.

Contractual Commitments

Plant and equipment		
Not Longer than 1 year	46,060	32,532
Longer than 1 year and not Longer than 5 years	36,842	25,980
Longer than 5 years	-	-
Total Contractual Commitments	82,902	58,512

Director's Declaration

The directors of the company declare that:

1 The financial statements set out on pages 36 to 72 are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards which as stated in the accounting policies included in 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 2018 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, 2018

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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 2018, 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 2018 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.

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Key Audit Matters (continued)

<table>
<tr><th colspan="2">Existence and Ownership of Assets – Plant and Equipment</th></tr>
<tr><th colspan="2">Refer to Note 4.4 “Property, Plant and Equipment”</th></tr>
<tr><td>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.</td><td>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.</td></tr>
</table>

<table>
<tr><th colspan="2">Recognition of Revenue</th></tr>
<tr><th colspan="2">Refer to Note 3.1 “Revenue and Other Income”</th></tr>
<tr><td>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.</td><td>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.</td></tr>
</table>

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Key Matters (continued)

Valuation of Receivables	
Refer to Note 4.1 "Trade and Other Receivables" and "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. Trade debtors and debtors subject to payment arrangements amounted to $163,852,000 as at 30 June 2018. Of this amount $39,165,000 is expected to be collected over a period of longer than the next 12 months. Loans to Other Companies amounted to $27,593,000 as at 30 June 2018. Of this amount $19,975,000 is expected to be collected over a period of longer than the next 12 months. Debtors subject to payment arrangements and loans to other companies are all subject to enforceable agreements entered into between the group companies and the debtor.	Our procedures included, amongst others: • Review of subsequent sales invoices and related claim documentation in respect of accrued revenue; • Review of subsequent receipt collections from debtors and ageing analysis post year end; • Confirmations with selected trade debtors where considered necessary; • Review of the Deed of Acknowledgement of Debt, Termination and Release of Open Pitt Mining Services Contract entered into by the Company and Beadell Resources Limited dated 22 June 2018 in order to ensure that related receivables are properly recorded in the accounts at 30 June 2018 • Review of agreements entered into in respect of loan facilities provided to borrowers; • Discussion with management as to the existence of any disputes with debtors and borrowers, review of correspondence and assessment of impairment provisions raised by management; • Assessment of the financial viability of debtors, where considered necessary based on publicly available information and other information available to the Company; • Review of the classification of receivables between current and non-current ensuring that classification reflects the agreements entered into with customers and borrowers; • Review of disclosures made in the notes to the financial statements

MOORE STEPHENS

Key Matters (continued)

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 2018 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

MOORE STEPHENS

- 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.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages x to y of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of MACA Limited, for the year ended 30 June 2018 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

Moore Stephens

NEIL PACE
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth on the 28th day of September 2018

Section 7 Shareholder Information

As at 31st August 2018 and 5th September 2018.

7.1 Numbers of Holders of Equity Securities

Ordinary Share Capital

268,007,708 fully paid ordinary shares are held by 3,617 individual shareholders.

Listed Options

There are no listed options.

Unlisted Options

There are no unlisted options.

Distribution of Shareholdings

Fully Paid Ordinary Shares	Number of Shareholders	Number of Shares	% of Issued Capital
1 - 1,000 shares	794	471,535	0.2
1,001 – 5,000 shares	1,388	4,153,216	1.5
5,001 – 10,000 shares	607	4,854,230	1.8
10,001 – 100,000 shares	774	21,515,477	8.0
100,001 and over shares	54	237,013,250	88.4
Total	3,617	268,007,708	100.0

SHAREHOLDER INFORMATION

7.1 Numbers of Holders of Equity Securities (Cont.)

Substantial Share and Option Holders

An extract of the Company's register of substantial shareholders (who held a relevant interest in 5% or more of issued capital) is set out below:

Substantial Shareholder		Fully Paid Ordinary Shares	% of Total Shares
1	Perpetual Investments Limited	30,120,976	11.2
2	Schroder Investment Management Australia Limited	20,175,123	7.5
3	Ken Kamon	17,275,633	6.4
4	Commonwealth Bank of Australia	16,641,004	6.2

There were no substantial option holders listed in the Company's register as at 5th September 2018.

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.

Unmarketable Parcels

As at 5th September 2018, there were 175 holders who held shares that were unmarketable parcels.

7.2 MLD's Top Twenty Shareholders

	Registered Shareholder	Fully Paid Ordinary Shares	% of Total Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	65,924,598	24.6
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	43,768,559	16.3
3	CITICORP NOMINEES PTY LIMITED	22,521,647	8.4
4	MR KENNETH RUDY KAMON	17,275,633	6.5
5	NATIONAL NOMINEES LIMITED	13,475,332	5.0
6	GEMBLUE NOMINEES PTY LTD <THE G A BAKER FAMILY A/C>	12,500,000	4.7
7	MR FRANCIS JOSEPH MAHER + MS SHARON JANE MAHER	12,300,000	4.6
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	7,178,749	2.7
9	BNP PARIBAS NOMS PTY LTD <DRP>	5,755,391	2.2
10	MR JAMES EDWARD MOORE + MS JULIA CATHERINE MOORE	5,350,000	2.0
11	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	3,955,362	1.5
12	MINING & CIVIL MANAGEMENT SERVICES PTY LTD	2,779,474	1.0
13	AUST EXECUTOR TRUSTEES LTD <CHARITABLE FOUNDATION>	2,582,987	1.0
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,329,283	0.9
15	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	2,203,112	0.8
16	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	1,698,828	0.6
17	MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,590,352	0.6
18	MS TINA HARDY <THE HARDY FAMILY A/C>	1,470,588	0.6
19	MR DAVID STEWART FIELD	1,140,000	0.4
20	UBS NOMINEES PTY LTD	1,081,672	0.4
Total Held by Top 20		226,881,567	84.7
Total Ordinary Fully Paid Shares on Issue		268,007,708	100.0

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

Restricted Securities

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

7.2 MLD's Top Twenty Shareholders (Cont.)

Voting Rights

Ordinary Shares

For all ordinary shares, voting rights are on a show of hands whereby every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Other Information

MLD Limited is incorporated and domiciled in Australia and is a publicly listed company by shares.

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

MACA Limited and its Controlled Entities
ABN 42 144 745 782

Environment
ISO 14001

Health & Safety
AS 4801

Quality
ISO 9001