



MACA Plant Pty Limited

ABN 29 110 779 167

Annual Report 2010



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Directors' Report

Your directors present their report on MACA Plant Pty Limited and its controlled entity ('Consolidated' or 'Group') for the financial year ended 30 June 2010.

The names of the directors in office at any time during or since the end of the year are:-

David John Edwards
James Edward Moore
Francis Joseph Maher
Geoffrey Alan Baker
Ross Campbell Williams

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

The following person held the position of company secretary at the end of the financial year.

Ross Campbell Williams

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

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

The consolidated profit for the financial year after providing for income tax amounted to \$15,606,364 (2009: \$11,373,779).

A review of the operations of the Group during the financial year and the results of those operations found that the changes in market demand and competition have seen an increase in revenues of 77.70% to \$150,603,296. This has affected the Group's operating profit before tax which has increased on last year by 34.69% to a profit of \$21,725,669.

The Group's net asset position has increased by 44.52% to \$34,517,329 as at 30 June 2010 (2009: \$23,884,927) due to the aforementioned profit.

Dividends paid or declared since the start of the financial year are as follows:

A dividend of \$2,518,519 (2009: \$4,020,000) was paid by the parent during the financial year. The total group dividend paid during the financial year was \$5,000,000 (2009: \$4,020,000).

No significant changes in the Group's state of affairs occurred during the financial year.

After balance date events include the following:

- a dividend payment of \$3,000,000 from the Group to shareholders.
- Mining & Civil Australia Pty Ltd has entered into a joint venture agreement which will result in the establishment of a 60% controlled entity called MACA Civil Pty Ltd. The new entity will operate in the civil services sector.
- Mining & Civil Australia Pty Ltd has disposed of its 20% interest in the Ewing Street business premises for \$814,000, resulting in a profit on sale of \$474,000.
- Mining & Civil Australia Pty Ltd has made a loan investment of \$1,500,000 to a company controlled by the directors.

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

The group is currently investigating listing on the Australian Securities Exchange, and have commenced with appropriate action in this regards.



Directors' Report

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent financial year. The directors will reassess this position as and when the need arises.

No options to shares in the Group have been granted during the financial year and there were no options outstanding at the end of the financial year.

No director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Group, controlled entities or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest except as a full-time employee of the Group, controlled entity or related body corporate.

During or since the end of the financial year the Group has not given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums.

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

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

Auditor's Independence Declaration

The lead auditor's independence declaration, as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2010 has been received and can be found on page 3.

Signed in accordance with a resolution of the Board of Directors.



ROSS WILLIAMS
Director

DATED at PERTH this 31st day of August 2010.



To the Board of Directors of MACA Plant Pty Limited

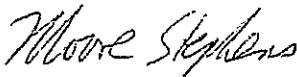
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our audit of the financial report of MACA Plant Pty Limited for the financial year ended 30 June 2010 and in accordance with the provisions of the Corporations Act 2001.

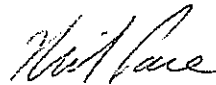
We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully



MOORE STEPHENS
Chartered Accountants



NEIL PACE
Partner

DATED at PERTH this 31st day of August 2010



Consolidated Statement of Comprehensive Income

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	150,603,296	84,752,836
Other income	2	4,535,279	2,433,520
Finance costs		(1,274,321)	(951,324)
Depreciation and amortisation expense		(11,050,975)	(5,046,709)
Employee benefits expense		(23,065,455)	(15,377,436)
Fuel and oil costs		(14,309,850)	(8,286,541)
Materials and consumables		(13,127,309)	(5,311,809)
Mobilisation/Demobilisation		(2,130,177)	(632,120)
Plant and equipment hire and rental costs		(12,527,922)	(8,741,952)
Subcontractor and consultant cost		(28,990,115)	(9,279,465)
Repairs and maintenance		(18,496,774)	(8,121,796)
Travel and accommodation		(2,695,870)	(1,354,128)
Other expenses from ordinary activities		(5,744,138)	(7,952,392)
Profit before income tax expense	3	21,725,669	16,130,684
Income tax expense	4	(6,119,305)	(4,756,905)
Profit from continuing operations for the year		15,606,364	11,373,779
Other comprehensive income for the year, net of tax:			
Net gain on revaluation of financial assets		26,038	280,071
Total comprehensive income for the year		15,632,402	11,653,850
Total comprehensive attributable to:			
Non-controlling interest		3,879,869	3,464,872
Members of the parent entity		11,752,533	8,188,978
		15,632,402	11,653,850
Profit attributable to:			
Non-controlling interest		3,866,947	3,325,873
Members of the parent entity		11,739,417	8,047,906
		15,606,364	11,373,779

The accompanying notes form part of these financial accounts



MACA Plant Pty Limited ABN 29 110 779 167

Consolidated Statement of Financial Position

as at 30 June 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	8	5,861,047	13,854,776
Trade and other receivables	9	34,832,363	6,293,480
Other assets	10	499,877	252,000
Loan receivable	11	750,000	-
TOTAL CURRENT ASSETS		41,943,287	20,400,256
NON CURRENT ASSETS			
Trade and other receivables	9	5,831	162,049
Financial assets	12	2,853,125	2,578,811
Property, plant and equipment	14	48,733,781	13,810,159
Deferred tax assets	17(b)	473,030	332,324
TOTAL NON CURRENT ASSETS		52,065,767	16,883,343
TOTAL ASSETS		94,009,054	37,283,599
CURRENT LIABILITIES			
Trade and other payables	15	26,684,001	2,734,284
Financial liabilities	16	11,715,019	4,231,669
Current tax liabilities	17(a)	959,226	1,959,950
Short-term provisions	18	1,576,765	1,228,673
TOTAL CURRENT LIABILITIES		40,935,011	10,154,576
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17(a)	281,152	195,630
Financial liabilities	16	18,275,562	3,048,466
TOTAL NON-CURRENT LIABILITIES		18,556,714	3,244,096
TOTAL LIABILITIES		59,491,725	13,398,672
NET ASSETS		34,517,329	23,884,927
EQUITY			
Issued capital	19	134	134
Financial Assets Reserve		154,188	141,073
Retained profits		23,550,348	14,329,450
Parent Interest		23,704,670	14,470,657
Non-controlling Interest		10,812,659	9,414,270
TOTAL EQUITY		34,517,329	23,884,927

The accompanying notes form part of these financial accounts



Consolidated Statement of Changes in Equity

for the year ended 30 June 2010

	Note	Issued Capital	Retained Profits	Financial Assets Reserve	Non Controlling Interests	Total
BALANCE AT 1 JULY 2008		134	10,301,544	-	5,949,399	16,251,077
Profit attributable to members of the parent entity		-	8,047,906	-	-	8,047,906
Profit attributable to non-controlling interests		-	-	-	3,325,873	3,325,873
SUB-TOTAL		-	8,047,906	-	3,325,873	11,373,779
Other comprehensive income:						
Revaluation of Investment		-	-	141,073	138,998	280,071
SUB-TOTAL		134	18,349,450	141,073	9,414,270	27,904,927
Dividends paid or provided for	7	-	(4,020,000)	-	-	(4,020,000)
BALANCE AT 30 JUNE 2009		134	14,329,450	141,073	9,414,270	23,884,927
BALANCE AT 1 JULY 2009		134	14,329,450	141,073	9,414,270	23,884,927
Profit attributable to members of the parent entity		-	11,739,417	-	-	11,739,417
Profit attributable to non-controlling interests		-	-	-	3,866,947	3,866,947
SUB-TOTAL		-	11,739,417	-	3,866,947	15,606,364
Other comprehensive income:						
Revaluation of Investment		-	-	13,115	12,923	26,038
SUB-TOTAL		134	26,068,867	154,188	13,294,140	39,517,329
Dividends paid or provided for	7	-	(2,518,519)	-	(2,481,481)	(5,000,000)
BALANCE AT 30 JUNE 2010		134	23,550,348	154,188	10,812,659	34,517,329

The accompanying notes form part of these financial accounts



Consolidated Statement of Cash Flows

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		141,362,282	101,654,712
Payments to suppliers and employees		(112,048,669)	(77,179,656)
Dividends received		168,750	-
Interest received		324,637	242,687
Interest paid		(1,274,321)	(951,324)
Income tax (paid)/refund		(7,186,372)	(5,165,819)
Net Cash Provided By Operating Activities	23(b)	<u>21,346,307</u>	<u>18,600,600</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		414,637	-
Purchase of investments		(538,453)	(2,078,710)
Proceeds from sale of property, plant and equipment		444,252	57,524
Purchase of property, plant and equipment		(16,714,806)	(4,497,335)
Loans to Related Parties		(750,000)	-
Net Cash Used In Investing Activities		<u>(17,144,370)</u>	<u>(6,518,521)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash flow from borrowings		(7,195,666)	(2,227,832)
Dividends paid by the parent		(2,518,519)	(4,020,000)
Dividends paid by controlled entities to outside equity interests.		(2,481,481)	-
Net Cash Used In Financing Activities		<u>(12,195,666)</u>	<u>(6,247,832)</u>
Net increase/(decrease) in cash held		(7,993,729)	5,834,247
Cash at 1 July		<u>13,854,776</u>	<u>8,020,529</u>
Cash at 30 JUNE	23(a)	<u>5,861,047</u>	<u>13,854,776</u>

The accompanying notes form part of these financial accounts



MACA Plant Pty Limited ABN 29 110 779 167

Notes to the Financial Statements

for the year ended 30 June 2010

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the Consolidated Group of MACA Plant Pty Limited and controlled entities. MACA Plant Pty Limited is a private company, incorporated and domiciled in Australia.

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporation Act 2001.

The financial report of MACA Plant Pty Limited and controlled entities comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b. Principles of Consolidation

A controlled entity is any entity controlled by MACA Plant Pty Limited. Control exists where MACA Plant Pty Limited has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with MACA Plant Pty Limited to achieve the objectives of MACA Plant Pty Limited.

A list of controlled entities is contained in Note 13 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

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

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

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



Notes to the Financial Statements

for the year ended 30 June 2010

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

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

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

c. Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. 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 reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

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

d. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted average basis and include cost specific to the inventory items and any other cost which contribute to bringing the inventories to their present location and condition.



Notes to the Financial Statements

for the year ended 30 June 2010

e. Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on a cost basis.

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 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 asset's 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 capitalised leased assets, but excluding freehold land, is depreciated on a straight line or diminishing value basis over their estimated useful lives to the Group commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. 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
Plant and Equipment	2.5% - 50%
Low value pool	18.75% or 37.5%
Motor vehicles	18.75% - 50%
Leasehold improvements	2.5%

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

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

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

f. Leases

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



Notes to the Financial Statements

for the year ended 30 June 2010

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

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

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

g. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

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:

- a) the amount at which the financial asset or financial liability is measured at initial recognition;
- b) less principal repayments;
- c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d) less any reduction for impairment.

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

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

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.

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 stated at amortised cost using the effective interest rate method.



Notes to the Financial Statements

for the year ended 30 June 2010

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.)

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.

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.)

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income.

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.

Derecognition

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

h. Impairment of Assets

At each 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 comprehensive income.



Notes to the Financial Statements

for the year ended 30 June 2010

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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

i. Intangibles

Goodwill

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

- (i) the consideration transferred;
- (ii) any non-controlling interest; 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 value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect 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). The Group determines which method to adopt for each acquisition.

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

j. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

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

k. Employee Benefits

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have also been measured at their nominal amount and consideration has been given to the probability that the employee may satisfy vesting requirements.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

l. Provisions

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



Notes to the Financial Statements

for the year ended 30 June 2010

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

n. Revenue and Other Income

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

q. Comparatives

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

Accounting Standards not Previously Applied

The Group has adopted the following new and revised Australian Accounting Standard issued by the AASB which is mandatory to apply to the current year. Disclosures required by this Standard that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.



Notes to the Financial Statements

for the year ended 30 June 2010

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Group's financial statements now contain a statement of comprehensive income.

Other comprehensive income— The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total group operations, as this is how they are reviewed by the chief operating decision maker.

Impairment testing of the segment's goodwill

AASB 136: Impairment of Assets, para 80 requires that goodwill acquired in a business combination shall be allocated to each of the acquirer's CGUs, or group of CGUs that are expected to benefit from the synergies of the combination. Each cash generating unit (CGU) which the goodwill is allocated to must represent the lowest level within the entity at which goodwill is monitored, however it cannot be larger than an operating segment. Therefore, due to the changes in the identification of segments, there is a risk that goodwill previously allocated to a CGU which was part of a larger segment could now be allocated across multiple segments if a segment had to be split as a result of changes to AASB 8.

Management have considered the requirements of AASB 136 and determined the implementation of AASB 8 has not impacted the CGUs of each operating segment.

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.



Notes to the Financial Statements

for the year ended 30 June 2010

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 Group.

Key Judgment – Environmental Issues

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

Key Estimate – Taxation

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

The financial report was authorised for issue on the 31st of August 2010 by the board of directors.



Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 2. REVENUE			
Operating activities:			
- Sales		148,425,365	76,973,745
- Other income		1,684,544	7,536,404
- Interest revenue from other persons		324,637	242,687
- Dividends		168,750	-
		<u>150,603,296</u>	<u>84,752,836</u>
Non-operating activities:			
- Gain / (Loss) on sale of plant and equipment		(202,069)	(52,679)
- Gain / (Loss) on sale of investments		113,301	-
- Other income		4,624,047	2,486,199
		<u>4,535,279</u>	<u>2,433,520</u>

NOTE 3. PROFIT BEFORE INCOME TAX

The operating profit before income tax has been determined after:

Expenses:

Superannuation Expense	1,161,240	834,058
Bad Debts Expense	-	5,264,262

NOTE 4. INCOME TAX EXPENSE

(a) The components of tax expense comprise:

Current		6,185,648	4,761,703
Deferred	17(c)	(66,343)	(4,798)
		<u>6,119,305</u>	<u>4,756,905</u>

(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% (2009: 30%)		6,517,701	4,839,205
Add tax effect of:			
- non deductible depreciation		15,200	15,607
- dividend imputation		345,506	-
- other non allowable items		143,612	19,796
- Other taxable items		755,556	-
Less tax effect of:			
- franking credits on dividends received		(1,151,686)	-
- other deductible items		(506,584)	(117,703)
		<u>6,119,305</u>	<u>4,756,905</u>



Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 5. AUDITORS' REMUNERATION			
Remuneration of the parent entity auditors for:			
- Auditing or reviewing the financial report		15,000	9,747
- taxation services provided by related practice of auditor		-	-
Remuneration of other auditors of subsidiaries for:			
- auditing or reviewing the financial report		40,000	31,000
- taxation services provided by related practice of auditor		-	-
		<u>55,000</u>	<u>40,747</u>

NOTE 6. Key Management Personnel Compensation

- a) Names and Positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
David John Edwards	Executive Director
James Edward Moore	Non-Executive Director
Francis Joseph Maher	Non-Executive Director
Geoffrey Alan Baker	Executive Director
Ross Campbell Williams	Finance Director/Company Secretary
Chris Tuckwell	Chief Executive Officer

b) Shareholdings

Number of shares held by Key Management Personnel

Key Management Person	Balance 30.6.2010	Balance 30.6.2009
David John Edwards	30	30
James Edward Moore	30	30
Francis Joseph Maher	30	30
Geoffrey Alan Baker	30	30
Ross Campbell Williams	14	14
Chris Tuckwell	-	-
Total	<u>134</u>	<u>134</u>

c) Remuneration of Key Management Personnel

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2010 \$	2009 \$
Short-term employee benefits	1,317,872	1,260,424
Post-employment benefits	47,115	47,115
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>1,364,987</u>	<u>1,307,539</u>



Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 7. DIVIDENDS			
Final fully franked ordinary dividend of \$18,795 (2009: \$30,000) per share franked at the tax rate of 30% (2009: 30%)		2,518,519	4,020,000
Proposed final fully franked ordinary dividend of \$22,388 (2009: \$37,313) per share franked at the tax rate of 30% (2009: 30%)		3,000,000	5,000,000
Balance of franking account at year end adjusted for credits arising from payment of provision of income tax and debits arising for income tax and dividends recognised as receivables, franking credits that may be prevented from distribution in subsequent financial year as per the income tax return at 30 June 2010 being the latest tax year end to balance date.		12,789,003	7,673,166
NOTE 8. CASH AND CASH EQUIVALENTS			
Cash at bank		5,861,047	13,854,776
NOTE 9. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		34,596,380	6,093,829
Amounts receivable from director related entities		235,983	199,651
		34,832,363	6,293,480
NON CURRENT			
Other		5,831	162,049

Credit risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 9. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

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

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



Notes to the Financial Statements

for the year ended 30 June 2010

		Note	2010 \$	2009 \$
	Gross amount \$	Past due and impaired \$	Past due but not impaired (months overdue) < 1 month \$	Within initial trade terms \$
2010				
Trade and term receivables	34,832,363	-	12,267,421	22,564,942
Other receivables	-	-	-	-
Total	34,832,363	-	12,267,421	-
2009				
Trade and term receivables	6,293,480			6,293,480
Other receivables	-	-	-	-
Total	6,293,480	-	-	6,293,480

NOTE 10. OTHER ASSETS

CURRENT

Prepayments	499,877	252,000
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NON CURRENT

-	-
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NOTE 11. LOAN RECEIVABLE

CURRENT

MACA Crushing Pty Ltd	750,000	-
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The loan is unsecured, with no fixed terms for repayment and bears interest at a rate as decided upon from time to time.

NOTE 12. FINANCIAL ASSETS

NON CURRENT

Available for Sale Financial Assets

Unlisted Shares in controlled entities at Cost.	-	-
Shares in Listed corporations at Fair Value.	2,853,125	2,578,811
	2,853,125	2,578,811



Notes to the Financial Statements

for the year ended 30 June 2010

NOTE 13. CONTROLLED ENTITIES	Country of Incorporation	Note	2010	2009
			\$	\$
			Percentage Owned (%)*	
			2010	2009
Parent entity:-				
MACA Plant Pty Limited	Australia		-	-
Subsidiaries of MACA Plant Pty Limited:-				
Mining and Civil Australia Pty Limited	Australia		50.4%	50.4%

* Percentage of voting power in proportion to ownership

NOTE 14. PROPERTY, PLANT & EQUIPMENT

LAND AND BUILDINGS

Total land and buildings at cost	338,341	338,341
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PLANT AND EQUIPMENT

Plant and equipment – at cost	69,605,233	28,084,369
Accumulated depreciation	(24,112,412)	(15,763,847)

45,492,821	12,320,522
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Motor vehicles – at cost	5,070,712	2,595,057
Accumulated depreciation	(2,333,981)	(1,628,831)

2,736,731	966,226
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Leased plant and equipment – at cost	1,605,000	1,605,000
Accumulated depreciation	(1,605,000)	(1,471,473)

-	133,527
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Low value pool – at cost	8,492	6,961
Accumulated depreciation	-	-

8,492	6,961
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Leasehold improvements – at cost	164,922	48,545
Accumulated depreciation	(7,526)	(3,963)

157,396	44,582
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Total plant and equipment	48,395,440	13,471,818
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Total property, plant and equipment	48,733,781	13,810,159
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Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$					
(a) Movements in Carrying Amounts								
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year								
Consolidated:								
		Land and Buildings	Plant and equipment	Motor vehicles	Leased plant and equipment	Low value pool	Leasehold improvements	Total
		\$	\$	\$	\$	\$	\$	\$
Opening balance at 1 July 2009		338,341	12,320,522	966,226	133,527	6,961	44,582	13,810,159
Additions		-	43,893,930	2,587,915	-	5,096	134,317	46,621,258
Disposals		-	(491,973)	(3,592)	-	-	(17,230)	(512,795)
Depreciation expense		-	(10,229,658)	(813,818)	(133,527)	(3,565)	(4,273)	(11,184,841)
Balance at 30 June 2010		338,341	45,492,821	2,736,731	-	8,492	157,396	48,733,781

NOTE 15. TRADE AND OTHER PAYABLES

CURRENT

Unsecured Liabilities:

Trade creditors	24,857,421	2,721,188
Sundry creditors and accruals	1,826,580	13,096
	<u>26,684,001</u>	<u>2,734,284</u>

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

NOTE 16. FINANCIAL LIABILITIES

CURRENT

Secured Liabilities:

Finance lease liability	20(b)	11,715,019	4,231,669
		<u>11,715,019</u>	<u>4,231,669</u>

NON-CURRENT

Secured Liabilities

Finance lease liability	20(b)	18,275,562	3,048,466
		<u>18,275,562</u>	<u>3,048,466</u>

(a) Total current and non-current secured liabilities:

Finance lease liability	29,990,581	7,280,135
	<u>29,990,581</u>	<u>7,280,135</u>

(b) The carrying amounts of non-current assets pledged as security are:

Finance lease liability	28,704,306	8,172,424
	<u>28,704,306</u>	<u>8,172,424</u>



Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 17. TAX			
(a) Liabilities			
CURRENT			
Income tax		959,226	1,959,950
NON-CURRENT			
Deferred tax liability comprises:			
Prepayments		149,963	75,600
Other		131,189	120,030
Total		281,152	195,630
(b) Assets			
NON-CURRENT			
Deferred tax assets comprises:			
Provisions		473,030	332,324
Other		-	-
Total		473,030	332,324
(c) Reconciliations			
i. Gross movements			
The overall movement in the deferred tax account is as follows:			
Opening balance		136,694	251,926
(Charge)/credit to income statement		66,343	4,798
(Charge)/credit to equity		(11,159)	(120,030)
Closing balance		191,878	136,694
ii. Deferred tax liabilities			
The movement in deferred tax liabilities for each temporary difference during the year is as follows:			
Other:			
Opening balance		195,630	75,600
Charge / (Credit) to income statement		74,363	-
Charge / (Credit) to equity		11,159	120,030
Closing balance		281,152	195,630
iii. Deferred tax assets			
The movement in deferred tax assets for each temporary difference during the year is as follows:			
Provisions:			
Opening balance		332,324	266,376
Credit to income statement		140,706	65,948
Closing balance		473,030	332,324



Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 17. TAX			
Other:			
Opening balance		-	61,150
Credit to income statement		-	(61,150)
Closing balance		-	-

NOTE 18. PROVISIONS

CURRENT

Employee Entitlements		1,576,765	1,228,673
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(a) Movement in provisions:

Consolidated:

	Employee entitlements	Total
Opening balance as at 1.7.2009	1,228,673	1,228,673
Additional provisions raised during the year	1,756,123	1,756,123
Amounts used	(1,408,031)	(1,408,031)
Closing balance as at 30.6.2010	1,576,765	1,576,765

(b) Provision for employee benefits

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

NOTE 19. ISSUED CAPITAL

134 (2009: 134) ordinary shares of \$1 each fully paid	134	134
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(a) Ordinary shares:

	No.	No.
At the beginning of the reporting period	134	134
Shares issued during the year		
– 1 September 2004	-	-
At reporting date	134	134

The company has no authorised share capital.

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

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

(b) Capital Management:

Management controls the capital of the Group in order to maintain a good 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.



Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.			
There are no externally imposed capital requirements.			
Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.			
Total borrowings		29,990,581	7,280,135
Less cash and cash equivalents		(5,861,047)	(13,854,776)
Net debt		24,129,534	(6,574,641)
Total equity		34,517,329	23,884,927
Total capital		58,646,863	17,310,286
Gearing ratio		69.91%	0%

NOTE 20. CAPITAL & LEASING COMMITMENTS

(a) Capital expenditure commitments

Capital expenditure commitments contracted for:

Plant and equipment purchases

Payable

- not later than 12 months
- between 12 months and 5 years
- greater than 5 years

Minimum Commitments

-	-
-	-
-	-
-	-
-	-

(b) Finance lease commitments

Payable — minimum lease payments

- not later than 12 months
- between 12 months and 5 years
- greater than 5 years

Minimum less payments

Less: Future Finance Charges

13,404,632	4,643,528
19,951,622	3,260,990
-	-
33,356,254	7,904,518
(3,365,673)	(624,383)
29,990,581	7,280,135

(c) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts:

Payable — minimum lease payments

- not later than 12 months
- between 12 months and 5 years
- greater than 5 years

2,726,438	4,831,431
3,149,863	4,291,350
-	-
5,876,301	9,122,781



Notes to the Financial Statements

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
NOTE 21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS			
There are no contingent assets or liabilities.			
NOTE 22. OPERATING SEGMENTS			
The Group operates predominantly in one business and geographical segment being the provision of contract mining services to the mining industry throughout Western Australia. The information presented in the financial report is the information that is reviewed by the Board of Directors (Chief operating decision makers) in assessing performance and determining the allocation of resources.			
NOTE 23. CASH FLOW INFORMATION			
(a) Reconciliation of Cash			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:			
Cash and cash equivalents		5,861,047	13,854,776
Bank overdraft		-	-
		<u>5,861,047</u>	<u>13,854,776</u>
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax			
Operating profit after income tax		15,606,364	11,373,779
Non-cash flows in profit from ordinary activities			
Depreciation and amortisation		11,050,975	5,046,709
Equity Adjustment		(11,159)	(120,030)
Net (gain)/loss on disposal of plant and equipment		202,069	52,679
Net (gain)/loss on disposal of investments		(113,301)	-
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(28,382,665)	6,207,349
(Increase)/decrease in other assets		(247,877)	-
(Increase)/decrease in inventories		-	387,100
Increase/(decrease) in trade and other payables		23,949,718	(4,398,855)
Increase/(decrease) in income tax payable		(1,000,724)	(404,116)
Increase/(decrease) in deferred tax payable		(55,184)	115,232
Increase/(decrease) in provisions		348,092	340,753
		<u>21,346,308</u>	<u>18,600,600</u>

(c) Non-Cash Financing and Investing Activities

Property, plant and equipment:

During the financial year, the company acquired plant and equipment with an aggregate fair value of \$29,906,112 (2009: \$5,386,307) by means of hire purchase agreements. These acquisitions are not reflected in the cash flow statement



Notes to the Financial Statements

for the year ended 30 June 2010

NOTE 24. EVENTS AFTER THE BALANCE SHEET DATE

After balance date events include the following:

- a dividend payment of \$3,000,000 from the Group to shareholders.
- Mining & Civil Australia Pty Ltd has entered into a joint venture agreement which will result in the establishment of a 60% controlled entity called MACA Civil Pty Ltd. The new entity will operate in the civil services sector.
- Mining & Civil Australia Pty Ltd has disposed of its 20% interest in the Ewing Street business premises for \$814,000, resulting in a profit on sale of \$474,000.
- Mining & Civil Australia Pty Ltd has made a loan investment of \$1,500,000 to a company controlled by the directors.

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

NOTE 25. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management

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

The main purpose of non-derivative financial instruments is to raise finance for group operations.

The group does not have any derivative instruments at 30 June 2010.

	Note	2010	2009
Financial Assets			
Cash and cash equivalents	8	5,861,047	13,854,776
Loans and receivables			
— Trade and other receivables	9	34,832,363	6,293,480
— Loan granted	11	750,000	-
Total loans and receivables		35,582,363	6,293,480
Available-for-sale financial assets:			
— at fair value			
— listed investments	12	2,853,125	2,578,811
Total available-for-sale financial assets		2,853,125	2,578,811
Total Financial Assets		44,296,535	22,727,067
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	15	26,684,001	2,734,284
— Borrowings	16	29,990,581	7,280,135
Total Financial Liabilities		56,674,582	10,014,419

Financial Risk Management Policies

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



Notes to the Financial Statements

for the year ended 30 June 2010

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

Specific Financial Risk Exposures and Management

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

a. Credit risk

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

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

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

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries (refer Note 26 for details).

Collateral held by the Group securing receivables are detailed in Note 9.

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

Trade and other receivables that are neither past due or impaired are considered to be of acceptable quality. Aggregates of such amounts are as detailed in Note 9.

b. Liquidity risk

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

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

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

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

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



Notes to the Financial Statements

for the year ended 30 June 2010

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flow	
	2010	2009	2010	2009	2010	2009	2010	2009
Financial liabilities due for payment								
Trade and other payables (excluding est. annual leave)	26,684,001	2,734,284	-	-	-	-	26,684,001	2,734,284
Finance lease liabilities	11,715,019	4,231,669	18,275,562	3,048,466	-	-	29,990,581	7,280,135
Total contractual outflows	38,399,020	6,965,953	18,275,562	3,048,466	-	-	56,674,582	10,014,419
Total expected outflows	38,399,020	6,965,953	18,275,562	3,048,466	-	-	56,674,582	10,014,419
Financial assets — cash flows realisable								
Cash and cash equivalents	5,861,047	13,854,776	-	-	-	-	5,861,047	13,854,776
Trade, term and loans receivables	34,832,363	6,293,480	-	-	-	-	34,832,363	6,293,480
Other investments	-	-	2,853,125	2,578,811	-	-	2,853,125	2,578,811
Total anticipated inflows	40,693,410	20,148,256	2,853,125	2,578,811	-	-	43,546,535	22,727,067
Net (outflow)/inflow on financial instruments	2,294,390	13,182,303	(15,422,437)	(469,655)	-	-	(13,128,047)	12,712,648

Financial Assets Pledged as Collateral

No financial assets have been pledged as security for debt.

c. Market Risk

i. Interest rate risk

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

	Floating Interest Rate		Fixed Interest Rate				Non-interest Bearing		Total		Weighted Average Effective Interest Rate	
			Within 1 Year		1 to 5 Years							
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 %	2009 %
Financial Assets:												
Cash	5,861,047	13,854,776	-	-	-	-	-	-	34,832,363	6,293,480	3.36	3.45
Trade and other receivables	-	-	-	-	-	-	34,832,363	6,293,480	40,693,410	20,148,256	N/A	N/A
Total Financial Assets	5,861,047	13,854,776	-	-	-	-	34,832,363	6,293,480	75,525,773	26,441,736		
Financial Liabilities:												
Finance lease	-	-	13,404,632	4,231,669	19,951,622	3,048,466	-	-	26,684,001	2,734,284	7.5%	8%
Trade and other payables	-	-	-	-	-	-	26,684,001	2,734,284	26,684,001	2,734,284	N/A	N/A
Total Financial Liabilities	-	-	13,404,632	4,231,669	19,951,622	3,048,466	26,684,001	5,468,568	86,724,256	12,748,703		

ii. Price Risk

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

ii. Foreign exchange risk

The group is not exposed to fluctuations in foreign currencies.



Notes to the Financial Statements

for the year ended 30 June 2010

Net Fair Values

Fair value estimation

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

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

NOTE 26. PARENT ENTITY DISCLOSURES	Note	Parent Entity	
		2010	2009
		\$	\$
(a) Financial Position of MACA Plant Pty Ltd			
CURRENT ASSETS			
Cash and cash equivalents		444,835	646,870
Trade and other receivables		4,280,317	-
Other assets		28,877	-
TOTAL CURRENT ASSETS		4,754,029	646,870
NON-CURRENT ASSETS			
Property, plant and equipment		41,793,252	11,139,988
Financial assets		136	136
Trade and other receivables		5,831	1,343,699
TOTAL NON-CURRENT ASSETS		41,799,219	12,483,823
TOTAL ASSETS		46,553,248	13,130,693
CURRENT LIABILITIES			
Trade and other payables		3,035,513	208,809
Financial liabilities		11,715,019	4,201,912
Current tax liabilities		942,013	833,236
Short-term provisions		-	-
TOTAL CURRENT LIABILITIES		15,692,545	5,243,957
NON-CURRENT LIABILITIES			
Financial liabilities		18,275,562	3,048,466
TOTAL NON-CURRENT LIABILITIES		18,275,562	3,048,466
TOTAL LIABILITIES		33,968,107	8,292,423
NET ASSETS		12,585,141	4,838,270
EQUITY			
Issued Capital		134	134
Retained Profits		12,585,007	4,838,136
TOTAL EQUITY		12,585,141	4,838,270



Notes to the Financial Statements

for the year ended 30 June 2010

(b) Financial Assets

Shares in controlled entities at cost	136	136
Net carrying value	136	136

(c) Financial Performance of MACA Plant Pty Limited

Profit/(Loss) for the year	10,265,390	4,672,394
Other comprehensive income	-	-
Total comprehensive income	10,265,390	4,672,394

(d) Guarantees entered into by MACA Plant Pty Limited to the debts of its subsidiaries

There are no guarantees entered into by MACA Plant Pty Limited to the debts of its subsidiaries

(e) Contingent liabilities of MACA Plant Pty Limited

There are no contingent liabilities as at 30 June 2010 (2009: none).

(f) Commitments for the Acquisition of Property, Plant and Equipment

Plant and equipment

Not longer than 1 year	94,474	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
Total	94,474	-

NOTE 27. COMPANY DETAILS

The registered office is:

MACA Plant Pty Limited
C/- Level 1, 12 King's Park Road
West Perth, Western Australia 6005

The principal place of business is:

MACA Plant Pty Limited
96 Ewing Street
Welshpool, Western Australia, 6106

NOTE 28. RELATED PARTY TRANSACTIONS

	Consolidated 2010	Consolidated 2009
Note	\$	\$
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:		
Askrigg Holdings Pty Ltd (for consultancy services provided):	332,500	321,001
Mining & Civil Management Services Pty Ltd (for consultancy services provided):	332,500	315,825
Rent paid to 80% of the owners of Ewing Street property that comprise the shareholders interest	176,000	176,000
Balances owing to related parties:		
Askrigg Holdings Pty Ltd	97,306	78,963
Jemco Holdings Pty Ltd	2,200	2,200
Mining & Civil Management Services Pty Ltd	68,750	-
Equipment Holdings Pty Ltd	50,677	118,488



Notes to the Financial Statements

for the year ended 30 June 2010

NOTE 29. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.
- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends

AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.



Notes to the Financial Statements

for the year ended 30 June 2010

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).
This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.
- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).
This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.



Directors' Declaration

The directors of the Group declare that:

1. The financial statements set out on pages 4 to 33 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as noted in note 1 to the financial statements;
 - (c) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Group.
2. the 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 director's opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



ROSS WILLIAMS
Director

DATED at PERTH this 31st day of August 2010



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MACA PLANT PTY LIMITED****Report on the financial report**

We have audited the accompanying financial report of MACA Plant Pty Limited and Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

INDEPENDENT AUDITOR'S REPORT (CONT)

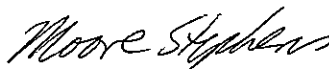
Auditor's opinion

In our opinion:

- a. the financial report of MACA Plant Pty Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards.



NEIL PACE
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 31st day of August 2010.