MACA Limited and its Controlled Entities

ABN 42 144 745 782

ASX Preliminary Final Report

30 June 2011

Lodged with the ASX under Listing Rule 4.3A

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Commentary

MACA Delivers Record Full Year Result

MACA Limited ('MACA') (ASX: MLD) is pleased to report it has delivered a pro-forma net profit after tax of $29.7 million for the year ended June 2011 on revenue of $249.2 million. This is a record result for the company and exceeded the initial public offering prospectus forecasts with net profit after tax 28% higher than forecast and an 81% increase from the 2010 financial year. The MACA board has elected to pay a final dividend of 3.0 cents per share fully franked, as forecast in its initial public offering prospectus.

Financial and Operational Highlights

- Operating Revenue up 60% to $249.2 million
- Pro-forma EBITDA up 80% to $68.2 million
- Pro-forma net profit after tax up 81% to $29.7 million
- Cash from operations of $57.8 million
- Cash on hand of $50.6 million. Net cash of $13.4 million
- Interim Dividend of 3.0 c per share (fully franked)
- Order book stands at $1,356 million as at June 11 (up from $682m at February, 2011)

Results Summary

2011 FY Half Year Results	30 June 2011 (Statutory) [1]	30 June 2011 (Pro forma) [1,2]	30 June 2010 (Pro forma) [1,3]	Movement (against Pro forma)
Revenue	$249.2m	$249.2m	$155.3m	60%
EBITDA	$67.3m	$68.2m	$37.8m	80%
EBIT	$44.5m	$45.4m	$24.4m	86%
Net Profit Before Tax	$41.4m	$42.4m	$22.7m	86%
Net Profit After Tax	$28.7m	$29.7m	$16.4m	81%
Contracted Work in Hand	$1,356m	$1,356m		
Net Cash	$13.4m	$13.4m		
Operating Cash Flow	$57.8m	$57.8m	$21.3m	
Earnings per share – basic	19.1c	19.8c		
Dividend per share (fully franked)	3.0c	3.0c		

Notes:

(1) Results include pre IPO non-controlling interests which are now fully owned.

(2) The pro forma result to 30/06/11 excludes share based payment expense arising from the pre IPO issue of shares to Mr C Tuckwell.

(3) Pro forma numbers from IPO Prospectus have been used.

(4) EPS based on 150 million shares on issue post IPO completion (excludes options on issue).

Results Discussion

The MACA full year result represents the strongest since the founding of the Company in 2002. Revenue for the 12 month period to 30 June 2011 was $249.2 million, up 60% on the previous corresponding period with a pro forma net profit after tax of $29.7 million which was up 81% on the previous corresponding period and exceeded pro forma prospectus forecast net profit after tax by 28%.

Revenues have been driven by strong performances from both mining and crushing. Profit performance has been driven by a continued focus on the efficient management of both MACA's extensive mining fleet and project sites. These results were achieved despite the significant disruptions encountered during the second half, including severe rain events and the cessation of mining at the Magellan site.

The MACA client base remains diversified with revenue derived from iron ore mining, gold and base metals. The current contracted work in hand position as at 30 June 2011 was $1,356 million. Since the half year MACA has been awarded the Peculiar Knob mining services contract ($285million) and the crushing and train loading contract ($127million) in South Australia, and has a letter of intent from Regis Resources for the mining services contract for the Garden Well project with the proposed contract value in the order of $450million.

Following the Company's successful initial public offering in October 2010 which raised $35 million in new equity, MACA retains a strong balance sheet with no net debt. Total capital expenditure for the year was $34 million and was primarily driven by the purchase of equipment to replace certain items which had previously been hired, to meet increased activity levels and new contract works.

MACA currently has a workforce in excess of 500 people (including contractors) and has been able to access and secure personnel and equipment to continue to grow the business. Importantly, these people have embraced MACA's culture of working in a safe manner and made a significant contribution to the continued improvement in the Company's safety performance.

Managing Director, Chris Tuckwell, said "the strong performance over the financial year has been driven by both long term contracts and contracts won over the past 24 months operating more efficiently. Our work in hand position remains strong and has been further strengthened this year with the addition of a 6 year mining contract and 5 year crushing and train loading contract at WPG Resource's iron ore project in South Australia, and a plus 8 year mining services contract for Regis Resources at their Garden Well project."

Outlook

Although the mining services sector remains competitive, MACA is well positioned operationally and financially to pursue further work and is currently in active discussions with both existing clients and potential new clients in relation to contract extensions and new contracts.

We look forward to continuing our strong growth profile during the 2012 financial year on the back of ongoing high demand for both mining and civil contracting services.

Results for Announcement to the Market – Appendix 4E

ABN or equivalent company reference	Financial year ended ('current period')	Financial year ended ('previous period')
42 144 745 782	30 June 2011	30 June 2010

1. Results for Announcement to the Market

	2011 $	2010 $	% Change
1.1. Revenue from ordinary activities	249,226,125	150,603,296	Up 65%
1.2. Profit after tax from ordinary activities attributable to members.	27,079,526[1]	11,739,417[1]	Up 130%
1.3. Net profit for the period attributable to members	27,079,526[1]	11,739,417[1]	Up 130%

1.4. Dividends

The final dividend for the year ended 30 June 2011 is $0.03.

1.5. Record date for determining entitlements to the final dividend. 9th September 2011

2. Individual and Total Dividends Per Security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:				
Current year	21 September 2011	3 cents	3 cents	-
Previous year	12 July 2010	2.67 cents[2]	2.67 cents	-
	7 October 2010	1.78 cents	1.78 cents	
	25 October 2010	1.33 cents	1.33 cents	
Interim dividend:				
Current year	31 March 2011	3 cents	3 cents	-
Previous year	-	-	-	-
Total:				
Current year	-	6 cents	6 cents	-
Previous year	-	5.78 cents[1]	5.78 cents	-

3. Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

[1] The profit attributable to members excludes a minority interest which is now fully owned.
[2] The dividend and net tangible asset backing per share for the comparative period are restated to reflect a comparative share capital.

4. NTA backing

	30 June 2011	30 June 2010
Net tangible asset backing per ordinary security	58.09 cents	30.54 cents[3]

5. Control gained over entities

Name of entity (or group of entities)	MACA Plant Pty Ltd (and it's 51% owned subsidiary Mining and Civil Australia Pty Ltd) MACA Crushing Pty Ltd

Date control gained	2 September 2010

5.1. Loss of control over entities

Name of entity (or group of entities)	Nil
Date control lost	-
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material).	-
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	-

6. Details of associates and joint venture entities

There are no associates or joint venture entities.

7. Commentary on results for the period

Refer covering commentary

8. Statement of compliance in regards to audit

This report is based on accounts to which one of the following applies.

☐ The accounts have been audited.	☐ The accounts have been subject to review.
	☐ The accounts are in the process of being reviewed.
☑ The accounts are in the process of being audited.	☐ The accounts have not yet been audited or reviewed.

[3] The dividend and net tangible asset backing per share for the comparative period are restated to reflect a comparative share capital

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below.

N/A

If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

N/A

Sign here: Date: 29 August 2011

Managing Director

Print name: Chris Tuckwell

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2011

	Note	2011 $	2010 $
Revenue	2	249,226,125	150,603,296
Other income	2	9,257,378	4,535,279
Direct costs		(205,984,171)	(126,394,447)
Finance costs		(3,039,185)	(1,274,321)
Share based payment expense		(1,073,124)	-
Other expenses from ordinary activities		(6,953,938)	(5,744,138)
Share of associates profit or loss		-	-
Profit before income tax	3	41,433,085	21,725,669
Income tax expense	4	(12,712,282)	(6,119,305)
Profit for the year		28,720,803	15,606,364
Other comprehensive income:			
Net gain on revaluation of financial assets		308,435	26,038
Other comprehensive income for the year, net of tax		308,435	26,038
Total comprehensive income for the year		29,029,238	15,632,402
Profit attributable to:			
Non-controlling interest		1,641,277	3,866,947
Members of the parent entity		27,079,526	11,739,417
		28,720,803	15,606,364
Total comprehensive income attributable to:			
Non-controlling interest		1,744,414	3,879,869
Members of the parent entity		27,284,824	11,752,533
		29,029,238	15,632,402
Earnings per share:			
Basic earnings per share (cents)	8	19.70	10.45
Diluted earnings per share (cents)	8	19.31	10.34

The accompanying notes form part of these financial accounts

Consolidated Statement of Financial Position

as at 30 June 2011

	Note	2011 $	2010 $
CURRENT ASSETS			
Cash and cash equivalents		50,562,835	5,861,047
Trade and other receivables	9	28,668,554	34,832,363
Inventory		2,111,373	-
Other assets		405,560	1,249,877
TOTAL CURRENT ASSETS		81,748,322	41,943,287
NON CURRENT ASSETS			
Trade and other receivables	9	-	5,831
Financial assets	10	3,293,820	2,853,125
Investments accounted for using the equity method	11	500,000	-
Property, plant and equipment	13	70,328,304	48,733,781
Deferred tax assets		1,511,741	473,030
TOTAL NON CURRENT ASSETS		75,633,865	52,065,767
TOTAL ASSETS		157,382,187	94,009,054
CURRENT LIABILITIES			
Trade and other payables	14	25,019,976	26,684,001
Financial liabilities	15	18,153,494	11,715,019
Current tax liabilities		4,033,644	959,226
Short–term provisions		2,564,689	1,576,765
TOTAL CURRENT LIABILITIES		49,771,803	40,935,011
NON-CURRENT LIABILITIES			
Deferred tax liabilities		401,171	281,152
Financial liabilities	16	18,966,017	18,275,562
TOTAL NON-CURRENT LIABILITIES		19,367,188	18,556,714
TOTAL LIABILITIES		69,138,991	59,491,725
NET ASSETS		88,243,196	34,517,329
EQUITY			
Issued capital	17	35,570,541	134
Reserves		740,900	154,188
Retained profits		52,007,826	23,550,348
Parent Interest		88,319,267	23,704,670
Non-controlling Interest		(76,071)	10,812,659
TOTAL EQUITY		88,243,196	34,517,329

The accompanying notes form part of these financial accounts

Consolidated Statement of Changes in Equity

for the year ended 30 June 2011

	Issued Capital	Retained Profits	Financial Assets Reserve	Option Reserve	Non Controlling Interests	Total
BALANCE AT 1 JULY 2009	134	14,329,450	141,073	-	9,414,270	23,884,927
Profit for the period	-	11,739,417	-	-	3,866,947	15,606,364
SUB-TOTAL	-	26,068,867	-	-	13,281,217	39,491,291
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	-	(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
				-		
BALANCE AT 1 JULY 2010	134	23,550,348	154,188	-	10,812,659	34,517,329
Profit for the period	-	27,079,526	-	-	1,641,277	28,720,803
SUB-TOTAL	134	50,629,874	154,188	-	12,453,936	63,238,132
Other comprehensive income:						
Revaluation of Investment	-	-	205,298	-	103,137	308,435
SUB-TOTAL	134	50,629,874	359,486	-	12,557,073	63,546,567
Shares issued	37,153,276	-	-	-	-	37,153,276
Cost of capital raising	(1,583,003)	-	-	-	-	(1,583,003)
Options issued	-	-	-	126,356	-	126,356
Acquisition of non-controlling interest	134	12,377,952	255,058	-	(12,633,144)	-
Dividends paid	-	(11,000,000)	-	-	-	(11,000,000)
BALANCE AT 30 JUNE 2011	35,570,541	52,007,826	614,544	126,356	(76,071)	88,243,196

The accompanying notes form part of these financial accounts

Consolidated Statement of Cash Flows

for the year ended 30 June 2011

	Note	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		262,519,309	141,362,282
Payments to suppliers and employees		(192,614,862)	(112,048,669)
Dividends received		168,750	168,750
Interest received		1,517,903	324,637
Interest paid		(3,039,185)	(1,274,321)
Income tax (paid)/refund		(10,773,427)	(7,186,372)
Net Cash Provided By Operating Activities	20(b)	57,778,488	21,346,307
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash acquired from purchase of subsidiary		230,073	-
Proceeds from sale of investments		-	414,637
Purchase of investments		(500,000)	(538,453)
Proceeds from sale of property, plant and equipment		409,091	444,252
Purchase of property, plant and equipment		(19,158,948)	(16,714,806)
Repayments of/ (Loans) to Related Parties		750,000	(750,000)
Net Cash Used In Investing Activities		(18,269,784)	(17,144,370)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		33,417,133	-
Repayment of borrowings		(17,224,049)	(7,195,666)
Dividends paid		(11,000,000)	(2,518,519)
Dividends paid to non controlling interests		-	(2,481,481)
Net Cash Used In Financing Activities		5,193,084	(12,195,666)
Net increase/(decrease) in cash held		44,701,788	(7,993,729)
Cash at 1 July		5,861,047	13,854,776
Cash at 30 JUNE	20(a)	50,562,835	5,861,047

The accompanying notes form part of these financial accounts

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The preliminary financial report is a financial report that has been prepared in accordance with the recognition and measurement aspects of the Australian Accounting Standards, Australian Accounting Interpretations, other authorative pronouncements of the Australian Accounting Standards Board, Corporations Act 2001 and Appendix 4E of the Australian Securities Exchange listing rules.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report 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. Material accounting policies adopted for preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

This 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

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by MACA Limited at the end of the reporting period. A controlled entity is any entity over which MACA Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted 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.

c. Business Combinations

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

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

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

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

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

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.

d. Income Tax

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

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

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

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

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

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

e. Inventories

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

f. Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of 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 basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

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

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

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

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

g. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

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

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

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

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

h. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

i. the amount at which the financial asset or financial liability is measured at initial recognition;

ii. less principal repayments;

iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

iv. less any reduction for impairment.

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

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

a. Financial assets at fair value through profit or loss

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

b. Loans and receivables

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

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

c. Held-to-maturity investments

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

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

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

d. Available-for-sale financial assets

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

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

e. Financial liabilities

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

Fair value

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

Impairment

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

De-recognition

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

i. Impairment of Assets

At 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

j. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions and balances

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

Exchange differences arising on the translation of monetary items are recognised in the statement of 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.

Group companies

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

– assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;

– income and expenses are translated at average exchange rates for the period; and

– retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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

k. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model 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.

l. Provisions

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

m. Cash and Cash Equivalents

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

n. Revenue and Other Income

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

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

o. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

p. Borrowing Costs

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

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

q. Goods and Services Tax (GST)

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

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

r. Comparative Figures

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

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

s. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

i. Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

ii. 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.

Key judgments

i. Environmental Issues

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

NOTE 2. REVENUE AND OTHER INCOME

	2011 $	2010 $
Revenue from Continuing Operations:		
Sales revenue		
– Sales	240,701,472	148,425,365
	240,701,472	148,425,365
Other revenue		
– Interest received	1,517,903	324,637
– Dividends received	168,750	168,750
– Other revenue	6,838,000	1,684,544
	8,524,653	2,177,931
Total Revenue	249,226,125	150,603,296
Other Income		
– Gain / (Loss) on sale of plant and equipment	647,290	(202,069)
– Gain / (Loss) on sale of investments	-	113,301
– Discount on acquisition	234,452	-
– Other income	8,375,636	4,624,047
Total Other Income	9,257,378	4,535,279

NOTE 3. PROFIT FOR THE YEAR

Expenses:

	2011 $	2010 $
Depreciation and amortisation		
– Plant and equipment	21,512,415	10,229,658
– Motor vehicles	1,275,518	813,818
– Other	4,276	7,499
Total depreciation and amortisation expense	22,792,209	11,050,975
Employee benefits expense		
– Direct labour	43,872,536	19,562,537
– Payroll tax	1,708,774	1,077,476
– Superannuation	2,669,497	1,161,240
– Employee entitlements accrual	3,755,200	1,169,455
– Share Based Payments	1,073,125	-
– Other	225,882	94,747
Total employee benefits expense	53,305,024	23,065,455

	2011 $	2010 $
Repairs, service and maintenance	17,408,125	13,690,852
Materials and supplies	32,696,444	4,805,922

NOTE 4. INCOME TAX EXPENSE

	2011 $	2010 $
(a) The components of tax expense comprise:		
Current	13,394,455	6,185,648
Deferred	(682,173)	(66,343)
	12,712,282	6,119,305
(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% (2010: 30%)	12,429,926	6,517,701
Add tax effect of:		
– non deductible depreciation	15,837	15,200
– dividend imputation	600,268	345,506
– other non allowable items	524,574	143,612
– Other taxable items	1,353,212	755,556
Less tax effect of:		
– franking credits on dividends received	(2,000,892)	(1,151,686)
– Prior year adjustment	(10,524)	
– other deductible items	(200,119)	(506,584)
Income tax attributable to the entity	12,712,282	6,119,305
The applicable weighted average effective tax rate as	30.7%	28%

NOTE 5. BUSINESS COMBINATIONS

On 2 September 2010, MACA Limited acquired 100% of the issued capital of MACA Plant Pty Ltd (and its subsidiary Mining and Civil Australia Pty Ltd) for a purchase consideration of $92,523,641. The purchase was satisfied with issue of 92,523,641 ordinary shares in MACA Limited at $1 per share.

Net assets of MACA Plant Pty Ltd at acquisition date was $34,323,775. Under the principles of AASB 3 Business Combinations, MACA Plant Pty Ltd is the accounting acquirer in the business combination. Therefore the transaction has been accounted for as a reverse acquisition. Fair value of the consideration transferred has been determined by reference to the fair value of issued shares in MACA Plant Pty Ltd immediately prior to the business combination.

The purchase acquisition was part of a group restructure to facilitate listing on the Australian Securities Exchange to enable further expansion.

	2011	2010
	$	$

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

	2 September 2010 $
Cash and cash equivalents	4,331,688
Trade and other receivables	34,474,805
Other assets	392,500
Financial assets	3,150,000
Property, plant and equipment	52,462,379
Deferred tax assets	692,199
Trade and other payables	(22,361,633)
Financial liabilities	(33,340,670)
Current tax liabilities	(3,259,948)
Provisions	(1,879,544)
Deferred tax liabilities	(338,001)
	34,323,775
Consideration paid:	
Ordinary shares (92,523,641 shares)	92,523,641

On 2 September 2010, the Group acquired 100% of the issued capital of MACA Crushing Pty Ltd, a company providing services to the mining and resources industry, for a purchase consideration of $1,206,505

The purchase acquisition was part of a group restructure to facilitate listing on the Australian Securities Exchange to enable further expansion.

Through acquiring 100% of the issued capital of MACA Crushing Pty Ltd, the Group has obtained control of the company.

The purchase was satisfied by the issue of 1,206,505 ordinary shares at an issue price of $1 each. The issue price was based on the market price on date of purchase.

	$
Purchase consideration:	1,206,505
Cash consideration	-
Equity issued as consideration	1,206,505
Total purchase	1,206,505
Fair value of assets acquired (see below)	1,440,957
Discount on acquisition	(234,452)
Investment in subsidiary	1,206,505
Assets and liabilities held at acquisition date	
Cash and cash equivalents	230,073
Trade and other receivables	434,560
Property, plant and equipment	10,126,733
Trade and other payables	(19,309)
Financial liabilities	(9,246,439)
Current tax liabilities	(84,661)

	1,440,957
Purchase consideration settled in cash	-
Cash and cash equivalent in subsidiary acquired	230,073
Cash inflow on acquisition	230,073

Profit before income tax and revenue resulting from the acquisition of MACA Crushing Pty Ltd amounting to $595,049 and $1,558,000 respectively are included in the consolidated statement of comprehensive income for the year ended 30 June 2010.

Had the results relating to MACA Crushing Pty Ltd been consolidated from 1 July 2010, consolidated revenue of the consolidated group would have been the same as it currently stands and consolidated profit before tax of the combined group would have been $41,720,005 for the year ended 30 June 2011.

	2011 $	2010 $
NOTE 6. AUDITORS' REMUNERATION		
Remuneration of the parent entity auditors for:		
– Auditing or reviewing the financial report	75,000	55,000

NOTE 7. DIVIDENDS

	2011 $	2010 $
Distributions paid		
Interim fully franked ordinary dividend of $0.03 (2010: $18,795) per share franked at the tax rate of 30% (2010: 30%)	4,500,000	2,518,519
2010 final dividend (fully franked) of $0.0578 per share paid in 2011	6,500,000	-
	11,000,000	2,518,519
Proposed final fully franked ordinary dividend of $0.03 (2010: $22,388) per share franked at the tax rate of 30% (2010: 30%)	4,500,000	3,000,000
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 2011 being the latest tax year end to balance date.	20,426,473	12,789,003

	2011 $	2010 $
NOTE 8. EARNINGS PER SHARE		
a. Reconciliation of earnings to profit and loss		
Profit	28,720,803	15,606,364
Profit attributable to non controlling interest	(1,641,277)	(3,866,947)
Earnings used to calculate basic EPS	27,079,526	11,739,417
Earnings used in the calculation of dilutive EPS	27,079,526	11,739,417
b. Weighted average number of ordinary shares outstanding during the year in calculating basic EPS	137,452,900	112,384,510
Weighted average number of dilutive options outstanding	2,781,538	1,123,845
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	140,234,438	113,508,355

NOTE 9. TRADE AND OTHER RECEIVABLES

	2011 $	2010 $
CURRENT		
Trade debtors	28,668,554	34,596,380
Amounts receivable from director related entities	-	235,983
	28,668,554	34,832,363
NON CURRENT		
Other	-	5,831

NOTE 10. FINANCIAL ASSETS

	2011 $	2010 $
NON CURRENT		
Shares in Listed corporations at Fair Value	3,293,820	2,853,125
	3,293,820	2,853,125

NOTE 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associated companies:

Name	Principal Activities	Country of Incorporation	Shares	Ownership interest		Carrying Amounts of investment	
				2011 %	2010 %	2011 $	2010 $
Riverlea Corporation Pty Ltd	Civil Contracting	Australia	Ord	33.3	-	500,000	-

NOTE 12. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
		2011	2010
Parent entity:			
MACA Limited	Australia	-	-
Subsidiaries:			
Mining and Civil Australia Pty Limited	Australia	100%	50.4%
MACA Plant Pty Ltd	Australia	100%	-
MACA Crushing Pty Ltd	Australia	100%	-
MACA Civil Pty Ltd	Australia	60%	-

* Percentage of voting power in proportion to ownership

Acquisition of Controlled Entities

During the 2011 financial year the parent entity, MACA Limited acquired interest in the above mentioned entities. Refer to details of these transactions in Note 5: Business Combinations. MACA Civil Pty Ltd was incorporated during the current financial year.

NOTE 13. PROPERTY, PLANT & EQUIPMENT

LAND AND BUILDINGS		
Total land and buildings at cost	-	338,431
PLANT AND EQUIPMENT		
Plant and equipment – at cost	120,351,402	69,605,233
Accumulated depreciation	(52,705,689)	(24,112,412)
	67,645,713	45,492,821
Motor vehicles – at cost	5,875,606	5,070,712
Accumulated depreciation	(3,476,112)	(2,333,981)
	2,399,494	2,736,731
Leased plant and equipment – at cost	1,440,000	1,440,000
Accumulated depreciation	(1,440,000)	(1,440,000)
	-	-
Low value pool – at cost	52,315	46,492
Accumulated depreciation	(42,276)	(38,000)
	10,039	8,492
Leasehold improvements – at cost	291,962	164,922
Accumulated depreciation	(18,904)	(7,526)
	273,058	157,396
Total plant and equipment	70,328,304	48,395,440
Total property, plant and equipment	70,328,304	48,733,781

	2011 $	2010 $
NOTE 14. TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured Liabilities:		
Trade creditors	20,305,705	24,857,421
Sundry creditors and accruals	4,714,271	1,826,580
	25,019,976	26,684,001

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

NOTE 15. FINANCIAL LIABILITIES

	2011 $	2010 $
CURRENT		
Secured Liabilities:		
Finance lease liability	18,153,494	11,715,019
	18,153,494	11,715,019
NON-CURRENT		
Secured Liabilities		
Finance lease liability	18,966,017	18,275,562
	18,966,017	18,275,562

	2011	2010
	$	$
NOTE 16. ISSUED CAPITAL		
150,000,000 (2010:134) Fully paid ordinary shares with no par value	35,570,541	134

(a) **Ordinary shares:**

	No.	No.
At the beginning of the reporting period	134	134
Converted into 2 shares on incorporation	(132)	-
Shares issued during the year		
– 2 September 2010 Acquisition of MACA Plant Pty Ltd	56,737,315	-
– 2 September 2010 Acquisition of MACA Crushing Pty Ltd	1,206,505	-
– 2 September 2010 Redemption of nominees shares	(2)	-
– 3 September 2010 Acquisition of non-controlling interest in Mining and Civil Australia Pty Ltd	35,786,326	-
– 4 September 2010 Share based payments	946,769	-
– 16 September 2010 Share split	20,323,085	-
– 28 October 2010 Initial Public Offering	35,000,000	-
At reporting date	150,000,000	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

	2011 $	2010 $
NOTE 17. CAPITAL & LEASING COMMITMENTS		
(a) **Capital expenditure commitments**		
Capital expenditure commitments contracted for:		
Plant and equipment purchases	34,484,290	-
Payable		
– not later than 12 months	34,484,290	-
– between 12 months and 5 years	-	-
– greater than 5 years	-	-
Minimum Commitments	34,484,290	-
(b) **Finance lease commitments**		
Payable — minimum lease payments		
– not later than 12 months	20,176,062	13,404,632
– between 12 months and 5 years	20,184,262	19,951,622
– greater than 5 years	-	-
Minimum lease payments	40,360,324	33,356,254
Less: Future Finance Charges	(3,240,814)	(3,365,673)
	37,119,510	29,990,581
(c) **Operating lease commitments**		
Non-cancellable operating leases contracted for but not capitalised in the accounts:		
Payable — minimum lease payments		
– not later than 12 months	1,062,324	2,726,438
– between 12 months and 5 years	651,824	3,149,863
– greater than 5 years	-	-
	1,714,148	5,876,301

NOTE 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities.

NOTE 19. OPERATING SEGMENTS

The group information presented in the financial report is the information that is reviewed by the Board of Directors (Chief operating decision maker) in assessing performance and determining the allocation of resources.

Identification of Reportable Segment

The Group identifies its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates predominantly in one business and geographical segment being the provision of contract mining services to the mining industry throughout Western Australia. The financial information in the Statement of Comprehensive Income and the Statement of Financial Position is the same as that presented to the chief operating decision maker.

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting Policies Adopted

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

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognized at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

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

- head office and other administration expenditure

	Contract Mining Services	Total Operations $
(a) Segment performance		
30 June 2011		
Revenue		
External sales	240,701,472	240,701,472
Interest revenue	1,517,903	1,517,903
Total segment revenue	242,219,275	242,219,275

	Contract Mining Services	Total Operations $
Reconciliation of segment revenue to group revenue		
Other revenue		7,006,750
Total group revenue	-	249,226,125
Segment net profit before tax	43,528,872	43,528,872
Reconciliation of segment result to net loss before tax:		
Amounts not included in segment result but reviewed by the board:		
- other		(2,095,787)
Net profit before tax from continuing operations		41,433,085
30 June 2010		
Revenue		
External sales	148,425,365	148,425,365
Interest revenue	324,637	324,637
Total segment revenue	148,750,002	148,750,002
Reconciliation of segment revenue to group revenue		
Other revenue		1,853,294
Total group revenue	-	150,603,296
Segment net profit before tax	24,208,849	24,208,849
Reconciliation of segment result to net loss before tax:		
Amounts not included in segment result but reviewed by the board:		
- other		(2,483,180)
Net profit before tax from continuing operations		21,725,669

(b) Segment assets

	Contract Mining Services	Total Operations $
30 June 2011		
Segment assets	101,513,791	101,513,791
Segment asset increases for the period:		
- capital expenditure	19,158,948	19,158,948
- acquisitions	-	-
	19,158,948	19,158,948
Reconciliation of segment assets to group assets		
Unallocated assets:		
- Cash		50,562,835
- financial assets		3,793,820
- deferred tax assets		1,511,741
Total group assets		157,382,187

	Contract Mining Services	Total Operations $
30 June 2010		
Segment assets	84,821,852	84,821,852
Segment asset increases for the period:		
- capital expenditure	16,714,806	16,714,806
- acquisitions	-	-
	16,714,806	16,714,806
Reconciliation of segment assets to group assets		
Unallocated assets:		
- cash		5,861,047
- financial assets		2,853,125
- deferred tax assets		473,030
Total group assets		94,009,054

(c) Segment liabilities

	Contract Mining Services	Total Operations $
30 June 2011		
Segment liabilities	64,704,176	64,704,176
Reconciliation of segment liabilities to group liabilities		
Unallocated assets:		
- current tax liabilities		4,033,644
- deferred tax liabilities		401,171
Total group liabilities		69,138,991
30 June 2010		
Segment liabilities	58,251,347	58,251,347
Reconciliation of segment liabilities to group liabilities		
Unallocated assets:		
- current tax liabilities		959,226
- deferred tax liabilities		281,152
Total group liabilities		59,491,725

(d) All revenue is sourced from Australia.

NOTE 20. CASH FLOW INFORMATION

	2011 $	2010 $
(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	50,562,835	5,861,047
Bank overdraft	-	-
	50,562,835	5,861,047
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating profit after income tax	28,720,803	15,606,364
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	22,792,209	11,050,975
Equity Adjustment	197,223	(11,159)
Net (gain)/loss on disposal of plant and equipment	(647,290)	202,069
Net (gain)/loss on disposal of investments	(234,452)	(113,301)
Share based payment	1,073,125	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	6,170,614	(28,382,665)
(Increase)/decrease in other assets	94,317	(247,877)
(Increase)/decrease in inventories	(1,867,684)	-
Increase/(decrease) in trade and other payables	(1,664,027)	23,949,718
Increase/(decrease) in income tax payable	3,074,418	(1,000,724)
Increase/(decrease) in deferred tax payable	(918,692)	(55,184)
Increase/(decrease) in provisions	987,924	348,092
	57,778,488	21,346,308

(c) Acquisition of Entities

On 2 September 2010, MACA Limited acquire 100% of the issued capital of MACA Plant Pty Ltd, (including its subsidiary Mining and Civil Australia Pty Ltd).

	2011 $	2010 $
Purchase consideration, consisting of:		-
- Issue of 92,532,641 ordinary shares at $1	92,523,641	-
Total consideration	92,523,641	-
Fair value of issued shares in MACA Ltd	92,523,641	-
Total fair value of issued shares in MACA Ltd	92,523,641	-

On 2 September 2010, the Group acquired 100% of the issued capital of MACA Crushing Pty Ltd.

	2011 $	2010 $
Purchase consideration, consisting of:		-
- Issue of 1,206,505 ordinary shares at $1	1,206,505	-

	2011 $	2010 $
NOTE 20. CASH FLOW INFORMATION		
Total consideration	1,206,505	-
Cash consideration	-	-
Cash outflow	-	-
Assets and liabilities held at acquisition date:		
Cash and cash equivalents	230,073	-
Trade and other receivables	434,560	-
Property, plant and equipment	10,126,733	-
Trade and other payables	(19,309)	-
Financial liabilities	(9,246,439)	-
Current tax liabilities	(84,661)	-
	1,440,957	-
Fair value of previously held interest in MACA Plant Pty Ltd	-	-
Discount on consolidation	(234,452)	-
Non-controlling interest in acquisitions	-	-
	1,206,505	-

(d) **Non-Cash Financing and Investing Activities**

Share issue

92,523,641 ordinary shares were issued at $1 each as consideration for the purchase of MACA Plant Pty Ltd (with its subsidiary Mining and Civil Australia Pty Ltd). The share issue was based on the fair value of the company which was determined by a valuation of MACA Plant Pty Ltd prior to the purchase.

1,206,505 ordinary shares were issued at $1 each as consideration for the purchase of MACA Crushing Pty Ltd. The share issue was based on the fair value of the company which was determined by a valuation of MACA Crushing Pty Ltd prior to the purchase. These amounts are not reflected in the statement of cashflows.

946,769 ordinary shares were issued for no consideration to Chris Tuckwell as a part of his long term incentive plan. The expense is not reflected in the statement of cashflows.

4,602,993 options were issued to employees at an exercise price of $1.15 under the employee option scheme as a part of their long term incentive plan. The expense amount of $126,356 is not reflected in the statement of cashflows.

Debt

During the financial year, the company acquired plant and equipment with an aggregate fair value of $15,106,540 (2010: $29,906,112) by means of hire purchase agreements. These acquisitions are not reflected in the cash flow statement.

The acquisition of MACA Crushing Pty Ltd resulted in the company acquiring plant and equipment with an aggregate fair value of $10,126,753 by means of hire purchase agreements. These acquisitions are not reflected in the cash flow statement.

NOTE 21. SHARE-BASED PAYMENTS

i. On 4 September 2010 the Managing Director was issued 946,769 ordinary shares at an issue price of $1.00 as a part of his long term incentive plan.

ii. On 2 November 2010, 4,602,993 options were granted to employees of the company under the MACA Limited Employee Incentive Option Scheme at an exercise price of $1.15 each. These options are subject to a vesting condition being 3 years continuous employment from grant date and are exercisable after vesting on 2 November 2013 and expire on 1 January 2014.

Options granted to staff and key management personnel are as follows:

Grant Date	Number
2 November 2010	4,602,993

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

	Number	Weighted average exercise price
Options outstanding as at 30 June 2009	-	-
Granted	-	-
Forfeited	-	-
Exercised	-	--
Expired	-	-
Options outstanding as at 30 June 2010	-	-
Granted	4,602,993	1.15
Forfeited	(424,963)	1.15
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2011	4,178,030	1.15
Options exercisable as at 30 June 2011:	-	1.15
Options exercisable as at 30 June 2010:	-	-

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

The weighted average remaining contractual life of options outstanding at year end was 2.5 years. The exercise price of outstanding shares at the end of the reporting period was $1.15

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $0.2745 (2010: $Nil). These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price:	$1.15
Weighted average life of the option:	3.2 years
Expected share price volatility:	69.97%
Risk-free interest rate:	4.86%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

NOTE 22. EVENTS AFTER THE BALANCE SHEET DATE

After balance date events include the following:

- MACA Limited took control of Riverlea Corporation Pty Ltd on the 1 July 2011 through the acquisition of 26.67% thus taking MACA Limited's interest to 60%. The amount paid my MACA for this additional interest was $400,000.

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 Company, the results of those operations, or the state of affairs of the Company in future financial years.