



MACA Limited and its Controlled Entities

ABN 42 144 745 782

**ASX Preliminary Final Report
30 June 2014**

**Lodged with the ASX under
Listing Rule 4.3A**



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ASX Preliminary Final Report 30 JUNE 2014

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Commentary

MACA's Strong Earnings Growth Continues

MACA Limited ('MACA') (ASX: MLD) is pleased to announce a record result for the financial year ended 30 June 2014 with revenue increasing by 25.2% to \$595.4 million and net profit after tax up 12% to \$55.4 million. Since MACA's initial public offering in November 2010, revenue has grown 296% from \$150.1 million in FY2010 and net profit after tax has increased by 237% from \$16.4 million in FY2010.

The MACA board has elected to pay a final dividend of 7.5 cents per share fully franked, taking the full year dividend to 14 cents per share fully franked, a 40% increase on FY2013. In addition as part of a capital management initiative the Company paid a special dividend of 30 cents per share taking the full year dividend to 44 cents.

Financial and Operational Highlights

- Operating Revenue up 25.2% to \$595.4 million
- EBITDA up 18.6% to \$138 million
- Net profit after tax up 12% to \$55.4 million
- Net cash from operating activities of \$46.8 million
- Cash on hand of \$104.5 million. Net cash position of \$6.7 million
- Final Dividend of 7.5 cents per share (fully franked)
- Order book stands at \$1,307 million as at 30 June 2014

Results Summary

2014 FY Full Year Results	30 June 2014	30 June 2013	Movement
Revenue	\$595.4m	\$475.9m	25.2%
EBITDA	\$138.0m	\$116.3m	18.6%
EBIT	\$85.5m	\$76.9m	11.2%
Net Profit Before Tax	\$79.6m	\$71.8m	10.9%
Net Profit After Tax	\$55.4m	\$49.5m	12.0%
Contracted Work in Hand	\$1,307m	\$1,713m	-23.7%
Operating Cash Flow	\$46.8m	\$111.8m	-58.1%
Earnings per share – basic	30.3 cents	31.5 cents	-3.7%
Dividends per share (fully franked)	44.0 cents	10.0 cents	340%



Results for Announcement to the Market

Results Discussion

MACA has continued to achieve strong growth with revenue increasing by 25.2% to \$595.4 million and net profit after tax increasing by 12% to \$55.4 million. While earnings were adversely impacted by the weather event at the Duketon Project in February the project is now fully operational once more. This is also reflected in a modest decline in Earnings per Share of 30.3 cents in 2014 compared to 31.5 cents in 2013. Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') increased by 18.6% to \$138 million.

MACA continues to perform well across its broad spectrum of projects in both the mining and civil sectors. During the period MACA continued operations at Mt Dove and Abydos for Atlas Iron, Blue Hills for Sinosteel Midwest Corporation, and at Paroo Station for Rosslyn Hill Mining. In addition, MACA continued mining at Rosemont, Garden Well and Moolart Well for Regis Resources, Peculiar Knob for Arrium, and Ellendale for Kimberley Diamonds. Operations at Pardoo (Atlas) and Plutonic (Barrick) were closed with MACA successfully deploying personnel and equipment to other MACA projects.

MACA's historical financial performance was maintained for the majority of the financial year, driven by high levels of utilisation and a disciplined approach to operational management. A major disruption occurred at the Duketon Operations during the second half of the financial year, resulting in a material impact on earnings (refer ASX release 20 February 2014) for that period. The potential impact of this event was significantly reduced due to proactive management and innovative utilisation of MACA's strong financial position to support its client. This was reflected in the lower cash flow from operations, which was impacted while MACA provided assistance to clients with extended terms.

MACA continues to retain and develop strong relationships with its customers, suppliers and stakeholders. With a strong brand and a "Can Do" culture MACA has been rewarded with project extensions and new opportunities.

MACA's total workforce (including contractors) remains in excess of 1300 people. A strong culture and commitment to the MACA brand has contributed to the successful delivery of quality projects. The ongoing commitment to our Engineering Graduate and Apprentice Programs continues to ensure we develop quality MACA employees.

MACA remains committed to providing all of our employees and contractors with a safe place to work and continually strives to ensure that safety remains a core focus within our business and is reflected in our excellent safety record.

The civil business maintained its strong relationship with Main Roads Western Australia by continuing to deliver on the Browns Range Alliance and the Safelinks Program Alliance projects during the period. In addition, MACA Civil completed a number of resource projects including rail sidings for Calibre, and a number of roadworks projects both as a subcontractor and principal contractor.

In April MACA relocated its 3 Perth based operational support units to the one purpose built facility in Welshpool. The move to the new office, warehousing and workshop complex is already assisting the Group to be more aligned and efficient in reducing overheads in an increasingly cost conscious environment.

The MACA board has elected to pay a final dividend of 7.5 cents per share fully franked with a record date of 5 September 2014 and a payment date of 26 September 2014.



Results for Announcement to the Market (Continued)

Outlook

MACA's strong operational performance and relationships with its clients continues to generate opportunities for growth. Despite a subdued market environment MACA is well positioned both financially and operationally to support its clients, both existing and new, on delivering their growth aspirations. The Company has a strong balance sheet to fund future projects and is well positioned and resourced to take advantage of new opportunities.

The current level of work in hand of \$1.3 billion positions the Company for further growth. MACA is expecting revenue for FY2014 to exceed \$600 million, of which in excess of 90% is contracted. Despite tougher market conditions, continued earnings growth is expected.

ABN or equivalent company reference

Financial year ended ('current period')

Financial year ended ('previous period')

42 144 745 782

30 June 2014

30 June 2013

1. Results for Announcement to the Market

	2014 \$'000	2013 \$'000	% Change
1.1. Revenue from ordinary activities	595,387	475,853	Up 25%
1.2. Profit after tax from ordinary activities attributable to members.	55,448	49,545	Up 12%
1.3. Net profit for the period attributable to members	55,448	49,545	Up 12%
1.4. Dividends	The final dividend for the year ended 30 June 2014 is \$0.075 per share.		
1.5. Record date for determining entitlements to the final dividend.	5th September 2014		

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	26 September 2014	7.5 cents	7.5 cents	-
Previous year	26 September 2013	5.5 cents	5.5 cents	-
Interim dividend:				
Current year	24 March 2014	6.5 cents	6.5 cents	-
Previous year	28 March 2013	4.5 cents	4.5 cents	-
Special Dividend:				
Current year	31 March 2014	30.0 cents	30.0 cents	-
Total:				
Current year	-	44 cents	44 cents	-
Previous year	-	10 cents	10 cents	-



Results for Announcement to the Market (Continued)

3. Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

4. NTA backing

	30 June 2014	30 June 2013
Net tangible asset backing per ordinary security	115.52 cents	114.69 cents

5. Control gained over entities

Name of entity (or group of entities)	Nil
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Date control gained	
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Name of entity (or group of entities)	
---------------------------------------	--

Date control gained	
---------------------	--

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

Results for Announcement to the Market (Continued)

8. Statement of compliance in regards to audit

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

<input type="checkbox"/> The accounts have been audited.	<input type="checkbox"/> The accounts have been subject to review.
	<input type="checkbox"/> The accounts are in the process of being reviewed.
<input checked="" type="checkbox"/> The accounts are in the process of being audited.	<input type="checkbox"/> The accounts have not yet been audited or reviewed.

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: 25 August 2014

Operations Director

Print name: Geoff Baker



Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenue	2	595,387	475,853
Other income	2	18,645	12,342
Direct costs		(512,151)	(395,199)
Finance costs		(5,884)	(5,121)
Share based payment expense		(285)	(526)
Other expenses from ordinary activities		(16,122)	(15,535)
Profit before income tax	3	79,590	71,814
Income tax expense	4	(24,142)	(21,382)
Profit for the year		55,448	50,432
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value gains/(loss) on available-for-sale financial assets, net of tax		1,400	(691)
Other comprehensive income for the year, net of tax		1,400	(691)
Total comprehensive income for the year		56,848	49,741
Profit / (loss) attributable to:			
Non-controlling interest		-	887
Members of the parent entity		55,448	49,545
		55,448	50,432
Total comprehensive income attributable to:			
Non-controlling interest		-	887
Members of the parent entity		56,848	48,854
		56,848	49,741
Earnings per share:			
Basic earnings per share (cents)	7	30.33	31.50
Diluted earnings per share (cents)	7	30.02	30.73

The accompanying notes form part of these financial accounts



Consolidated Statement of Financial Position

as at 30 June 2014

	Note	2014 \$'000	2013 \$'000
CURRENT ASSETS			
Cash and cash equivalents		104,540	122,969
Trade and other receivables	8	138,296	60,435
Inventory		3,075	3,704
WIP		1,217	(99)
Financial assets	9	4,500	2,500
Other assets		2,989	1,318
TOTAL CURRENT ASSETS		254,617	190,827
NON CURRENT ASSETS			
Property, plant and equipment	11	172,258	177,481
Deferred tax assets		5,335	4,340
TOTAL NON CURRENT ASSETS		177,593	181,821
TOTAL ASSETS		432,210	372,648
CURRENT LIABILITIES			
Trade and other payables	12	78,947	61,386
Financial liabilities	13	39,846	33,567
Current tax liabilities		7,476	7,608
Short-term provisions		8,449	7,289
TOTAL CURRENT LIABILITIES		134,718	109,850
NON-CURRENT LIABILITIES			
Deferred tax liabilities		748	127
Financial liabilities	13	58,024	60,615
TOTAL NON-CURRENT LIABILITIES		58,772	60,742
TOTAL LIABILITIES		193,490	170,592
NET ASSETS		238,720	202,056
EQUITY			
Issued capital	14	152,290	89,298
Reserves		(2,223)	(2,207)
Retained profits		88,653	114,965
Parent Interest		238,720	202,056
Non-controlling Interest		-	-
TOTAL EQUITY		238,720	202,056

The accompanying notes form part of these financial accounts



Consolidated Statement of Changes in Equity

for the year ended 30 June 2014

	Issued Capital \$'000	Retained Profits \$'000	Financial Assets Reserve \$'000	General Reserve \$'000	Option Reserve \$'000	Non Controlling Interests \$'000	Total \$'000
BALANCE AT 1 JULY 2012	35,695	79,933	751	-	484	388	117,251
Profit for the period	-	49,545	-	-	-	887	50,432
SUB-TOTAL	35,695	129,478	751	-	484	1,275	167,683
Other comprehensive income:							
Revaluation of Investment	-	-	(691)	-	-	-	(691)
SUB-TOTAL	35,695	129,478	60	-	484	1,275	166,992
Shares issued	56,250	-	-	-	-	-	56,250
Capital raising costs	(2,647)	-	-	-	-	-	(2,647)
Options issued	-	-	-	-	526	-	526
Transactions with non-controlling interests	-	-	-	(3,277)	-	-	(3,277)
Acquisition of non-controlling interest	-	-	-	-	-	(1,275)	(1,275)
Dividends paid	-	(14,513)	-	-	-	-	(14,513)
BALANCE AT 30 JUNE 2013	89,298	114,965	60	(3,277)	1,010	-	202,056
BALANCE AT 1 JULY 2013	89,298	114,965	60	(3,277)	1,010	-	202,056
Profit for the period	-	55,448	-	-	-	-	55,448
SUB-TOTAL	89,298	170,413	60	(3,277)	1,010	-	257,504
Other comprehensive income:							
Revaluation of Investment	-	-	1,400	-	-	-	1,400
SUB-TOTAL	89,298	170,413	1,460	(3,277)	1,010	-	258,904
Shares issued	64,730	-	-	-	-	-	64,730
Capital raising costs	(1,738)	-	-	-	-	-	(1,738)
Options issued net of options exercised	-	-	-	-	(915)	-	(915)
Transactions with non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	(500)	-	-	(500)
Dividends paid	-	(81,761)	-	-	-	-	(81,761)
BALANCE AT 30 JUNE 2014	152,290	88,652	1,460	(3,777)	95	-	238,720

The accompanying notes form part of these financial accounts



Consolidated Statement of Cash Flows

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		525,918	487,514
Payments to suppliers and employees		(451,687)	(348,229)
Dividends received		369	338
Interest received		3,375	1,468
Interest paid		(5,884)	(5,121)
Income tax paid		(25,248)	(24,216)
Net Cash Provided By Operating Activities	18(b)	<u>46,843</u>	<u>111,754</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(2,000)	(3,000)
Proceeds from sale of property, plant and equipment		1,160	1,267
Purchase of property, plant and equipment		(16,777)	(36,331)
Net Cash Used In Investing Activities		<u>(17,617)</u>	<u>(38,064)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net Proceeds from Share Issue		61,792	53,603
Repayment of borrowings		(27,686)	(29,689)
Dividends paid		(81,761)	(14,513)
Net Cash Used In Financing Activities		<u>(47,655)</u>	<u>9,401</u>
Net increase/(decrease) in cash held		(18,429)	83,091
Cash at 1 July		<u>122,969</u>	<u>39,878</u>
Cash at 30 JUNE	18(a)	<u>104,540</u>	<u>122,969</u>

The accompanying notes form part of these financial accounts



Notes to the Preliminary Financial Report

for the year ended 30 June 2014

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 authoritative 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 Profit or Loss and Other 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 profit or loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

d. Income Tax

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

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

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

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

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

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

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

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

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

e. Inventories

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

f. Property, Plant and Equipment

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

Property

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value or straight line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

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

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

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

g. Leases

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

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

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

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

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

h. Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

a. *Financial assets at fair value through profit or loss*

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

b. *Loans and receivables*

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

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

c. *Held-to-maturity investments*

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

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

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

d. *Available-for-sale financial assets*

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

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

e. *Financial liabilities*

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

Fair value

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

Impairment

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

De-recognition

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

i. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

j. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions and balances

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

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

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

Group companies

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

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

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

k. Employee Benefits

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

Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options and performance rights are ascertained using a Black–Scholes pricing model and a Monte Carlo simulation respectively which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The impact of the revision of original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with corresponding adjustment to the equity settled Option Reserve.

l. Provisions

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

m. Cash and Cash Equivalents

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

n. Revenue and Other Income

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

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

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

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

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

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

o. Trade and Other Payables

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

p. Borrowing Costs

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

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

q. Goods and Services Tax (GST)

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

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

r. Comparative Figures

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

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

s. Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and the consideration paid or received is recognised in a separate reserve within equity.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

t. Critical Accounting Estimates and 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 best estimates. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Group's understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that best estimate, pending an assessment by the Australian Taxation Office.

iii. Estimation of Useful Lives of Assets

The estimation of the useful lives of property, plant and equipment is based on historical experience and is reviewed on an ongoing basis. The condition of the assets is assessed at least annually against the remaining useful life with adjustments made when considered necessary.

Key judgments

i. Environmental Issues

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

u. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest \$1,000.

Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 2. REVENUE AND OTHER INCOME		
Revenue from Continuing Operations:		
<i>Sales revenue</i>		
– Sales	589,585	461,921
	<u>589,585</u>	<u>461,921</u>
<i>Other revenue</i>		
– Interest received	3,375	1,468
– Dividends received	369	338
– Other revenue	2,058	12,126
	<u>5,802</u>	<u>13,932</u>
Total Revenue	<u>595,387</u>	<u>475,853</u>
Other Income		
– Gain / (Loss) on sale of plant and equipment	(1,738)	(166)
– Rebates	20,383	12,508
Total Other Income	<u>18,645</u>	<u>12,342</u>
NOTE 3. PROFIT FOR THE YEAR		
Expenses:		
Depreciation and amortisation		
– Plant and equipment	50,810	37,498
– Motor vehicles	1,722	1,885
– Other	5	20
Total depreciation and amortisation expense	<u>52,537</u>	<u>39,403</u>
Employee benefits expense		
– Direct labour	126,507	95,376
– Payroll tax	6,892	5,241
– Superannuation	7,717	6,654
– Employee entitlements accrual	12,502	10,143
– Share Based Payments	285	526
– Other	317	306
Total employee benefits expense	<u>154,220</u>	<u>118,246</u>
Repairs, service and maintenance	50,538	24,327
Materials and supplies	118,191	47,771

Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

NOTE 4. INCOME TAX EXPENSE

(a) The components of tax expense comprise:

Current	24,040	22,599
Deferred	102	(1,217)
	<u>24,142</u>	<u>21,382</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% (2013: 30%)	23,877	21,544
Add tax effect of:		
– dividend imputation	10,559	1,909
– other non allowable items	130	206
– Other taxable items	24,528	4,353
– Prior year adjustment	246	(266)
Less tax effect of:		
– franking credits on dividends received	(35,198)	(6,364)
– Prior year adjustment		
– other deductible items		

Income tax attributable to the entity	<u>24,142</u>	<u>21,382</u>
The applicable weighted average effective tax rate as	<u>30.3%</u>	<u>29.8%</u>

NOTE 5. AUDITORS' REMUNERATION

Remuneration of the parent entity auditors for:

– Auditing or reviewing the financial report	145	140
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NOTE 6. DIVIDENDS

Distributions paid

Interim fully franked ordinary dividend of \$0.065 (2013: 0.045) per share franked at the tax rate of 30% (2013: 30%)	11,471	7,763
Special interim dividend of \$0.30 per share franked at the tax rate of 30% (2013: nil)	60,803	-
2013 final dividend (fully franked) of \$0.055 per share paid in 2014 (2012: 0.045)	9,488	6,750
	<u>81,762</u>	<u>14,513</u>

Proposed final fully franked ordinary dividend of \$0.075 (2013: \$0.055) per share franked at the tax rate of 30% (2013: 30%)	<u>15,201</u>	<u>9,488</u>
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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 2014 being the latest tax year end to balance date.

	<u>35,120</u>	<u>41,569</u>
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Notes to the Preliminary Financial Report (Continued)

for the year ended 30 June 2014

NOTE 7. EARNINGS PER SHARE

a. Reconciliation of earnings to profit and loss		
Profit	55,448	50,432
(Profit)/loss attributable to non controlling interest	-	(887)
Earnings used to calculate basic EPS	55,448	49,545
Earnings used in the calculation of dilutive EPS	55,448	49,545
b. Weighted average number (000) of ordinary shares outstanding during the year in calculating basic EPS	182,810	157,274
Weighted average number (000) of dilutive options outstanding	1,866	3,971
Weighted average number (000) of ordinary shares outstanding during the year used in calculating dilutive EPS	184,676	161,245

NOTE 8. TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	138,296	60,435
	138,296	60,435

NOTE 9. FINANCIAL ASSETS

Shares in Listed corporations at Fair Value	4,500	2,500
	4,500	2,500

NOTE 10. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
		2014	2013
Parent entity:			
MACA Limited	Australia	-	-
Subsidiaries:			
MACA Mining Pty Ltd (formerly Mining & Civil Australia Pty Ltd)	Australia	100%	100%
MACA Plant Pty Ltd	Australia	100%	100%
MACA Crushing Pty Ltd	Australia	100%	100%
MACA Civil Pty Ltd	Australia	100%	100%
Riverlea Corporation Pty Ltd	Australia	100%	100%

* Percentage of voting power in proportion to ownership

On 30 June 2013 MACA Ltd acquired the remaining 40% of MACA Civil Pty Ltd, Riverlea Corporation Pty Ltd and MACA Civil Plant Pty Ltd which it did not already own. Consideration paid was \$3,000,000 cash with an additional amount of \$2,000,000 payable subject to the Civil business achieving specific performance targets for the year ending 30 June 2014. The additional \$2,000,000 has been paid to the vendors during the financial year.

Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 11. PROPERTY, PLANT & EQUIPMENT		
PLANT AND EQUIPMENT		
Plant and equipment – at cost	328,556	286,572
Accumulated depreciation	(160,669)	(115,042)
	167,887	171,530
Motor vehicles – at cost	9,189	11,284
Accumulated depreciation	(6,422)	(6,066)
	2,767	5,218
Leased plant and equipment – at cost	1,080	1,080
Accumulated depreciation	(1,080)	(1,080)
	-	-
Low value pool – at cost	175	129
Accumulated depreciation	(99)	(67)
	76	62
Leasehold improvements – at cost	1,597	781
Accumulated depreciation	(69)	(110)
	1,528	671
Total plant and equipment	172,258	177,481
Total property, plant and equipment	172,258	177,481

NOTE 12. TRADE AND OTHER PAYABLES

CURRENT

Unsecured Liabilities:

Trade creditors	68,659	43,611
Sundry creditors and accruals	10,288	17,775
	78,947	61,386

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

Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 13. FINANCIAL LIABILITIES		
CURRENT		
<i>Secured Liabilities:</i>		
Finance lease liability	39,846	33,567
	<u>39,846</u>	<u>33,567</u>
NON-CURRENT		
<i>Secured Liabilities</i>		
Finance lease liability	58,024	60,615
	<u>58,024</u>	<u>60,615</u>

NOTE 14. ISSUED CAPITAL

202,676,373 (2013: 172,500,000) Fully paid ordinary shares with no par value	152,290	89,298
	<u>152,290</u>	<u>89,298</u>

(a) **Ordinary shares:**

	No.	No.
At the beginning of the reporting period	172,500,000	150,000,000
Shares issued during the year		
– 4 March 2013 – Capital Raising	-	22,500,000
– 15 November 2013 – Options Exercised	1,175,000	-
– 25 November 2013 – Options Exercised	1,375,243	-
– 31 December 2013 – Options Exercised	1,408,734	-
– 5 January 2014 – Options Exercised	17,396	-
– 11 March 2014 – Capital Raising	26,200,000	-
At reporting date	<u>202,676,373</u>	<u>172,500,000</u>

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

NOTE 15. CAPITAL & LEASING COMMITMENTS

(a) **Capital expenditure commitments**

Capital expenditure commitments contracted for:

Plant and equipment purchases	4,802	19,653
	<u>4,802</u>	<u>19,653</u>
Payable		
– not later than 12 months	4,802	19,653
– between 12 months and 5 years	-	-
– greater than 5 years	-	-
Minimum Commitments	<u>4,802</u>	<u>19,653</u>

Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
(b) Finance lease commitments		
Payable — minimum lease payments		
– not later than 12 months	43,050	38,110
– between 12 months and 5 years	62,163	65,078
– greater than 5 years	-	-
Minimum lease payments	105,213	103,188
Less: Future Finance Charges	(7,344)	(9,006)
	<u>97,869</u>	<u>94,182</u>
(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	1,400	1,025
– between 12 months and 5 years	5,600	1,300
– greater than 5 years	2,800	-
	<u>9,800</u>	<u>2,325</u>

NOTE 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities.

NOTE 17. OPERATING SEGMENTS

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

Identification of Reportable Segment

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

The Group operates predominantly in two businesses and one geographical segment being the provision of civil and contract mining services to the mining industry throughout Australia.

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.

Notes to the Preliminary Financial Report (Continued)

for the year ended 30 June 2014

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

Segment liabilities

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

Unallocated items

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

- Dividends, interest, head office and other administration expenditure

	Contract Civil Services \$'000	Contract Mining Services \$'000	Total Operations \$'000
(a) Segment performance			
30 June 2014			
Revenue			
External sales	74,204	517,439	591,643
Total segment revenue	74,204	517,439	591,643
Reconciliation of segment revenue to group revenue			
Unallocated items:			
- Dividend and Interest income			3,744
Total revenue			595,387
Reconciliation of segment revenue to group income			
Other income	767	17,878	18,645
Total group income	74,971	535,317	614,032
Segment net profit before tax	5,543	70,588	76,131
Reconciliation of segment result to group net profit/(loss) before tax			
Unallocated items:			
- Dividend and Interest income			3,744
- Head office administration expenditure			(285)
Net profit before tax from continuing operations			79,590
30 June 2013			
Revenue			
External sales	77,557	396,490	474,047
Total segment revenue	77,557	396,490	474,047
Reconciliation of segment revenue to group revenue			
Unallocated items:			
- Dividend and Interest income			1,806
Total revenue			475,853
Reconciliation of segment revenue to group income			



Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

	Contract Civil Services \$'000	Contract Mining Services \$'000	Total Operations \$'000
Other income	366	11,976	12,342
Total group revenue	77,923	410,272	488,195
Segment net profit before tax	2,696	67,838	70,534

Reconciliation of segment result to group net profit/(loss) before tax

Unallocated items:

- Dividend and Interest Income	1,806
- Head office administration expenditure	(526)

Net profit before tax from continuing operations

71,814

b) Segment assets

30 June 2014

Segment assets

Opening balance 1 July 2013	15,113	227,726	242,839
Additions through business combination			
Additions	6,801	69,355	76,156
Disposals	(781)	(379)	(1,160)
Other movements in segment assets			
Closing balance 30 June 2014	21,133	296,702	317,835

Reconciliation of segment assets to group assets

Unallocated assets:

- Cash	104,540
- Financial assets	4,500
- Deferred tax assets	5,335

Total group assets

432,210

30 June 2013

Segment assets

Opening balance 1 July 2012	7,310	173,142	180,452
Additions through business combination			
Additions	7,958	55,696	63,654
Disposals	(155)	(1,112)	(1,267)
Other movements in segment assets			
Closing balance 30 June 2013	15,113	227,726	242,839

Reconciliation of segment assets to group assets

Unallocated assets:

- Cash	122,969
- Financial assets	2,500
- Deferred tax assets	4,340

Total group assets

372,648

Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

	Contract Civil Services \$'000	Contract Mining Services \$'000	Total Operations \$'000
(c) Segment liabilities			
30 June 2014			
Segment liabilities			
Opening balance 1 July 2013	11,565	151,292	162,857
Additions	4,647	17,761	22,408
Disposals			
Closing balance 30 June 2014	<u>16,212</u>	<u>169,053</u>	<u>185,265</u>

Reconciliation of segment liabilities to group liabilities

Unallocated assets:

- current tax liabilities	7,477
- deferred tax liabilities	748

Total group liabilities	<u>193,490</u>
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30 June 2013

Segment liabilities

Opening balance 1 July 2012	6,418	93,623	100,041
Additions	5,147	57,669	62,816
Disposals			
Closing balance 30 June 2013	<u>11,565</u>	<u>151,292</u>	<u>162,857</u>

Reconciliation of segment liabilities to group liabilities

Unallocated assets:

- current tax liabilities	7,608
- deferred tax liabilities	127

Total group liabilities	<u>170,591</u>
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(d) All revenue is sourced from Australia.

(e) Major customers

The Group has a number of customers to whom it provides both products and services. The Group supplies 3 single external customers in the mining segment which account for 32%, 21% and 20% of external revenue. (2013: 20%, 16%, 11%). The next most significant client accounts for 10% (2013: 9%) of external revenue.

Notes to the Preliminary Financial Report (Continued)
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 18. 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	104,540	122,969
Bank overdraft	-	-
	104,540	122,969
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating profit after income tax	55,448	50,432
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	52,537	39,404
Decrease in Equity accounted assets	-	(667)
Net (gain)/loss on disposal of plant and equipment	1,738	166
Net (gain)/loss on disposal of investments	-	-
Share based payment	285	526
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(77,861)	359
(Increase)/decrease in other assets	(2,333)	863
(Increase)/decrease in inventories & WIP	(687)	42
Increase/(decrease) in trade and other payables	17,060	21,501
Increase/(decrease) in income tax payable	(131)	(834)
Increase/(decrease) in deferred tax payable	(374)	(2,000)
Increase/(decrease) in provisions	1,160	1,962
	46,842	111,754
(c) Non-cash financing and Investing Activities		
During the year the economic entity acquired plant and equipment with an aggregate value of \$30,421,468 (2013: \$66,888,229) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.		
(d) Acquisition of Entities		
During the year the economic entity did not acquire any entities by non-cash means (2013: nil)		

NOTE 19. SHARE-BASED PAYMENTS

(a) Options

There were no options issued for the year ended 30 June 2014. The weighted average fair value of options granted during the previous year was Nil.

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

	Number	Weighted Average Exercise price
Options outstanding as at 30 June 2012:	4,008,030	1.15
Granted	-	-
Forfeited	(31,657)	1.15
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2013:	3,976,373	1.15
Granted	-	-
Forfeited	-	1.15
Exercised	3,976,373	-
Expired	-	-
Options outstanding as at 30 June 2014:	-	-

As at the date of exercise, the weighted average share price of options exercised during the year was \$1.15.

All options were exercised prior to the expiration date on 1 January 2014. There were no outstanding options at the end of the reporting period. The weighted average remaining contractual life of the options outstanding at year end was nil.

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

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

(b) Performance Rights

There were 446,830 performance rights issued for the year ended 30 June 2014. 185,000 performance rights were terminated upon Mr Grewars resignation leaving a balance of 261,830 at 30 June 2014. (2013: Nil)

NOTE 20. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year MACA Limited has executed a contract with Karara Mining Limited in relation to its Hinge Iron Ore project. The contract is expected to generate revenue of approximately \$90 million over a contract term of 17 months.

Subsequent to the balance date Mr Chris Tuckwell was appointed Managing Director and Chief Executive Officer of MACA Limited. Non-Executive Director, Mr Joe Sweet retired from his position on the board, with Finance Director and CFO Mr Ross Williams moving to a Non- Executive role. Mr Peter Gilford will assume the role of Chief Financial Officer.