MACA Limited and its Controlled Entities

ABN 42 144 745 782

ASX Preliminary Final Report

30 June 2015

Lodged with the ASX under Listing Rule 4.3A

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Commentary

MACA Limited is pleased to report it has delivered a Net Profit After Tax attributable to members of $54.4 million for the full year to 30 June 2015. Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') increased by 1% to $138.2 million.

Financial and Operating Highlights

- Revenue of $601.4 million
- EBITDA of $138.2 million
- Net Profit After Tax attributable to members of $54.4 million
- Final dividend of 7.5 cents per share (Fully franked)
- Order book of $1.22 billion as at June 2015
- Strong balance sheet with a net cash position of $42.3 million
- Net operating cash flow of $136.5 million

Results Summary

2015 FY Full Year Results	30 June 2015	30 June 2014	Movement
Revenue	$601.4m	$595.4m	1.0%
EBITDA	$138.2m	$134.6m	2.7%
EBIT	$79.1m	$82.1m	(3.7)%
Net Profit Before Tax	$77.6m	$79.6m	(2.5)%
Net Profit After Tax	$54.4m	$55.4m	(1.8)%
Contracted Work in Hand	$1,223m	$1,307m	(6.4)%
Operating Cash Flow	$136.5m	$46.8m	292%
Earnings per share – basic[1]	24.0 cents	30.3 cents	(20.8)%
Dividends per share (fully franked)[2]	39.5 cents	44.0 cents	(10.2)%

[1] EPS decreased due to the placement of 30m new shares in Sept 2014 to fund capital management initiative.
[2] Dividend Record date 4th September 2015 for Final Dividend of 7.5 cents per share payable on 25th September 2015.
An Interim Dividend of 7.0 cents per share was paid for 1HFY15 and a 25.0 cents per share Special Dividend was paid on 1 October 2014.

The MACA board has elected to pay a final dividend of 7.5 cents per share fully franked, taking the full year dividend to 14.5 cents per share fully franked, a 3.6% increase on FY2014. In addition, as part of a capital management initiative the Company paid a special dividend of 25 cents per share in September 2014 taking the total full year dividend to 39.5 cents.

The full year earnings result demonstrates the strength of MACA's business, despite what has been a very challenging operating environment for the mining and civil sectors due to weak commodity prices and poor market sentiment. In November 2014, MACA commenced work overseas with the Tucano project in Brazil. Since the end of the financial year MACA has also received a Letter of Intent from Avanco Resources at their Antas North operation. Operational activities have rebalanced away from iron ore with these contract wins in Brazil with Beadell and Avanco Resources. This increased geographical presence and experience, coupled with a strong balance sheet has MACA well placed to secure further opportunities.

With the closure of four projects over the year, management maintained its focus on ensuring the overall cost base of the business is reflective of the contracts in hand while providing flexibility to reallocate resources across projects. In reaction to changing market conditions, MACA was involved in establishing an innovative Contractor Collaboration Agreement with Atlas Iron and two other contractors. The agreement also culminated in the award of a mining services contract for the Wodgina project. This ensured utilisation of otherwise idle equipment and importantly continued employment for approximately 180 people. As a separate strategic initative, MACA subscribed to shares in a placement with Cassini Resources. The participation in the placement together with MACA's expertise assisted in being awarded preferred contractor status for the Nebo Babel project, a potential open pit Nickel Copper project.

MACA continues to perform well across its broad spectrum of projects in the mining sector. During the period MACA continued operations at Rosemont, Garden Well and Moolart Well for Regis Resources and Abydos for Atlas Iron. Projects commenced during the year were the Hinge project for Karara Mining, Andy Well for Doray Minerals, Wodgina for Atlas Iron and the company's first off-shore operation at Tucano in Brazil, South America for Beadell Resources. Operations at Rosslyn Hill Mining, Peculiar Knob for Arrium, Blue Hills for Sinosteel Midwest and Ellendale for Kimberley Diamonds were closed during the second half with MACA successfully deploying personnel and some equipment to other MACA projects.

MACA's total workforce (including contractors) remains in excess of 1,050 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 completing the Browns Range Alliance and the Safelinks Program Alliance projects during the period. In addition, MACA Civil completed a number of resource projects for Rio Tinto and Calibre and commenced a number of roadworks projects both as a principal contractor and in joint venture.

Operating Cash Flow and Capital Expenditure

Operating cash flow for the year ending 30 June 2015 was $136.5 million, up from $46.8 million in the prior corresponding period. Capital expenditure for the financial year was $50.9 million relating to plant, equipment and inventory primarily associated with the Beadell Resources Tucano project. Capital equipment purchases were funded by a combination of cash and equipment finance contracts. The company did not enter into any off balance sheet financing arrangements.

Final Dividend

The directors have determined to pay a fully franked interim dividend of 7.5c per share with a record date of 4th September 2015 and payment date of 25th September 2015. This represents a 60% payout ratio (excluding the special dividend) which is consistent with our targeted guideline and the Board's objective to both provide a return to shareholders and retain cash resources to pursue future growth opportunities. The total dividend paid during the year was $89.657 million (2014: $81.761 million). This included a 7.5 cent per share final dividend and interim dividend of 7.0 cents per share totalling $31.5 million and a 25 cent per share special dividend totalling $58.2 million.

Events Subsequent to Balance Date

After balance date events included the following:

- MACA has received a Letter of Intent for an open pit mining contract from Avanco Resources at their Antas North project in Brazil. Refer ASX announcement on 31st July 2015.
- MACA received shares and options in Atlas Iron Limited for a subscription value of approximately $4.79 million. Upon the shares of Atlas relisting onto the ASX, MACA transferred amounts outstanding to available for sale investments after booking an impairment on debtors of $0.77 million. MACA's exposure is capped at $1.37 million under an insurance policy.
- Kimberley Diamond Company Pty Ltd was placed into administration owing MACA $1.55 million. An impairment on trade debtors has been recognised as an expense in the accounts at 30 June 2015.
- MACA appointed Mr Robert Ryan as a Non-Executive Director. Refer ASX announcement 18 August 2015.
- MACA has been awarded the Fortescue River Bridge by the MRWA in joint venture capacity.

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

Outlook

MACA has a strong current level of work in hand at $1.22 billion and a very strong balance sheet. Market conditions for the mining and civil service sectors remain challenging and are likely to remain so until there is a sustained improvement in commodity prices and consequential uplift in mining activity. At this stage MACA is expecting revenue for FY2016 to reduce from the current year but to still exceed $450 million, of which in excess of 85% is contracted. MACA is selectively identifiying development opportunities and is well positioned to deliver quality services to existing producers and emerging mining companies. The recent Letter of Intent received from Avanco, the preferred contractor agreement with Cassini and award of the Wodgina Project demonstrate that MACA has a positive future and is well placed to continue to add to its work in hand position.

With the Company's focus on continuous improvement and innovation, maintaining a strong balance sheet, a solid operational track record and existing client relationships we are very well positioned to continue to support our customer's objectives and take advantage of new opportunities as they arise, including future upturns in the commodities cycle. MACA has a strong leadership team at both Board and management level to pursue its strategy to target organic growth opportunities and potential acquisitions.

Results for Announcement to the Market

ABN or equivalent company reference	Financial year ended ('current period')	Financial year ended ('previous period')
42 144 745 782	30 June 2015	30 June 2014

1. Results for Announcement to the Market

		2015 $'000	2014 $'000	% Change
1.1.	**Revenue from ordinary activities**	601,400	595,387	Up 1.0%
1.2.	**Profit after tax from ordinary activities attributable to members.**	54,414	55,448	Down 1.8%
1.3.	**Net profit for the period attributable to members**	54,414	55,448	Down 1.8%

1.4. Dividends

The final dividend for the year ended 30 June 2015 is $0.075 per share.

1.5. Record date for determining entitlements to the final dividend. 4th September 2015

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	25 September 2015	7.5 cents	7.5 cents	-
Previous year	26 September 2014	7.5 cents	7.5 cents	-
Interim dividend:				
Current year	24 March 2015	7.0 cents	7.0 cents	-
Previous year	24 March 2014	6.5 cents	6.5 cents	-
Special Dividend:				
Current year	18 September 2014	25.0 cents	25.0 cents	-
Previous Year	31 March 2014	30.0 cents	30.0 cents	
Total:				
Current year	-	39.5 cents	39.5 cents	-
Previous year	-	44.0 cents	44.0 cents	-

3. Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

4. NTA backing

	30 June 2015	30 June 2014
Net tangible asset backing per ordinary security	107.43 cents	115.52 cents

5. Control gained over entities

Name of entity (or group of entities)	MACA Mineração e Construção Civil Ltda

Date control gained	November 2014

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.

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

CHRIS TUCKWELL
Managing Director, CEO

DATED at PERTH this 24th day of August 2015.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2015

	Note	2015 $'000	2014 $'000
Revenue	2	601,400	595,387
Other income	2	27,614	18,645
Direct costs		(523,516)	(512,151)
Finance costs		(4,427)	(5,884)
Share based payment expense		(232)	(285)
Impairment of plant and equipment		(5,772)	-
Impairment of Debtors		(1,821)	
Foreign exchange losses		(753)	-
Other expenses from ordinary activities		(14,844)	(16,122)
Profit before income tax	3	77,649	79,590
Income tax expense	4	(23,236)	(24,142)
Profit for the period		54,413	55,448
Other comprehensive income:			
Exchange differences on translating foreign operations		(2,804)	-
Fair value gains/(loss) on available-for-sale financial assets, net of tax		(1,663)	1,400
Total comprehensive income for the period		49,946	56,848
Profit / (loss) attributable to:			
- Non-controlling interest		-	-
- Members of the parent entity		54,413	55,448
		54,413	55,448
Total comprehensive income attributable to:			
- Non-controlling interest		-	-
- Members of the parent entity		49,946	56,848
		49,946	56,848
Earnings per share:			
- Basic earnings per share (cents)	7	24.00	30.33
- Diluted earnings per share (cents)	7	23.98	30.02

The accompanying notes form part of these financial accounts

Consolidated Statement of Financial Position

as at 30 June 2015

	Note	2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents		118,533	104,540
Trade and other receivables	8	80,242	138,296
Loans to other companies		6,256	-
Inventory		7,789	3,075
Work in progress		4,818	1,217
Financial Assets		-	4,500
Other assets		5,129	2,989
TOTAL CURRENT ASSETS		222,767	254,617
NON CURRENT ASSETS			
Property, plant and equipment	11	158,564	172,258
Loan to other companies		9,878	-
Financial Assets	9	1,898	-
Deferred tax assets		6,088	5,335
TOTAL NON CURRENT ASSETS		176,428	177,593
TOTAL ASSETS		399,195	432,210
CURRENT LIABILITIES			
Trade and other payables	12	54,736	78,947
Financial liabilities	13	41,032	39,846
Current tax liabilities		2,885	7,476
Short-term provisions		9,282	8,449
TOTAL CURRENT LIABILITIES		107,935	134,718
NON-CURRENT LIABILITIES			
Deferred tax liabilities		94	748
Financial liabilities	13	35,198	58,024
TOTAL NON-CURRENT LIABILITIES		35,292	58,772
TOTAL LIABILITIES		143,227	193,490
NET ASSETS		255,968	238,720
EQUITY			
Issued capital	14	209,016	152,290
Reserves		(6,457)	(2,223)
Retained profits		53,409	88,653
Parent Interest		255,968	238,720
Non-controlling Interest		-	-
TOTAL EQUITY		255,968	238,720

The accompanying notes form part of these financial accounts

Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

	Issued Capital $'000	Retained Profits $'000	Financial Assets Reserve $'000	General Reserve $'000	Option Reserve $'000	FX Reserve $'000	Total $'000
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	-	-	-	-	(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
BALANCE AT 1 JULY 2014	152,290	88,652	1,460	(3,777)	95	-	238,720
Profit for the period	-	54,413	-	-	-	-	54,413
SUB-TOTAL	152,290	143,066	1,460	(3,777)	95	-	293,134
Other comprehensive income:						(2,804)	(2,804)
Revaluation of Investment	-	-	(1,663)	-	-	-	(1,663)
SUB-TOTAL	152,290	143,066	(203)	(3,777)	95	(2,804)	288,667
Shares issued	58,500	-	-	-	-	-	58,500
Capital raising costs	(1,774)	-	-	-	-	-	(1,774)
Options issued net of options exercised	-	-	-	-	232	-	232
Transactions with non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-
Dividends paid	-	(89,657)	-	-	-	-	(89,657)
BALANCE AT 30 JUNE 2015	209,016	53,409	(203)	(3,777)	327	(2,804)	255,968

The accompanying notes form part of these financial accounts

Consolidated Statement of Cash Flows

for the year ended 30 June 2015

	Note	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		674,424	525,918
Payments to suppliers and employees		(508,386)	(451,687)
Dividends received		-	369
Interest received		2,956	3,375
Interest paid		(4,428)	(5,884)
Income tax paid		(28,105)	(25,248)
Net Cash Provided By Operating Activities	18(b)	136,461	46,843
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		4,438	(2,000)
Proceeds from sale of property, plant and equipment		289	1,160
Net Loans to other companies		(16,134)	-
Purchase of property, plant and equipment		(29,707)	(16,777)
Payment for investments		(2,000)	-
Net Cash Used In Investing Activities		(43,114)	(17,617)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Proceeds from Share Issue		56,667	61,792
Net movement in borrowings		(46,364)	(27,686)
Dividends paid by the parent		(89,657)	(81,761)
Net Cash provided by / (used in) Financing Activities		(79,354)	(47,655)
Net increase/(decrease) in cash held		13,993	(18,429)
Cash and cash equivalents at the beginning of the period		104,540	122,969
Cash and cash equivalents at the end of financial period	18(a)	118,533	104,540

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 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.

The value in use calculations with respect to property, plant and equipment require an estimation of the future cash flows expected to arise from each cash generating unit and a suitable discount rate to apply to these cash flows to calculate net present value. The Directors have determined that that there is an adjustment required to the carrying value of property, plant and equipment as at 30 June 2015 and an impairment of $5.8 million has been recognised in the current reporting period.

ii. Taxation

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

iii. Estimation of Useful Lives of Assets

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

Key judgments

i. Environmental Issues

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

u. Rounding of Amounts

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

	2015 $'000	**2014 $'000**
NOTE 2. REVENUE AND OTHER INCOME		
Revenue from continuing operations		
Contract Trading Revenue	598,006	589,585
	598,006	589,585
Other revenue		
– Interest received	2,956	3,375
– Dividends received	-	369
– Other revenue	438	2,058
	3,394	5,802
Total Revenue	601,400	595,387
Other Income:		
– Profit / (Loss) on sale of plant and equipment	83	(1,738)
– Profit / (Loss) on sale of investment	2,132	-
– Rebates	25,399	20,383
Total Other Income	27,614	18,645

NOTE 3.

Expenses:		
Depreciation and amortisation		
– Plant and equipment	57,861	50,810
– Motor vehicles	1,032	1,722
– Other	160	5
Total depreciation and amortisation expense	59,053	52,537

	2015 $'000	2014 $'000
Employee benefits expense		
– Direct labour	130,575	126,507
– Payroll tax	7,175	6,892
– Superannuation	8,198	7,717
– Employee entitlements accrual	13,035	12,502
– Share Based Payments	155	285
– Other	384	317
Total employee benefits expense	159,522	154,220
Repairs, service and maintenance	56,792	50,538
Materials and supplies	112,326	118,191

NOTE 4. INCOME TAX EXPENSE

	2015 $'000	2014 $'000
(a) The components of tax expense comprise:		
Current	24,343	24,040
Deferred	(1,107)	102
	23,236	24,142
(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% (2014: 30%)	23,295	23,877
Add tax effect of:		
– dividend imputation	11,527	10,559
– other non allowable items	61	130
– Other taxable items	26,897	24,528
– Prior year adjustment	(120)	246
Less tax effect of:		
– franking credits on dividends received	(38,424)	(35,198)
– Prior year adjustment		
– other deductible items		
Income tax attributable to the entity	23,236	24,142
The applicable weighted average effective tax rate as	29.9%	30.3%

NOTE 5. AUDITORS' REMUNERATION

	2015 $'000	2014 $'000
Remuneration of the parent entity auditors for:		
– Auditing or reviewing the financial report	150	145

	2015 $'000	2014 $'000
NOTE 6. DIVIDENDS		
Distributions paid		
Interim fully franked ordinary dividend of $0.070 (2014: 0.065) per share franked at the tax rate of 30% (2014: 30%)	15,201	11,471
Special interim dividend of $0.25 per share franked at the tax rate of 30% (2014: $0.30)	58,169	60,803
2014 final dividend (fully franked) of $0.075 per share paid in 2014 (2013: $0.055)	16,287	9,488
	89,657	81,762
Proposed final fully franked ordinary dividend of $0.075 (2014: $0.075) per share franked at the tax rate of 30% (2014: 30%)	17,451	15,201
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 2015 being the latest tax year end to balance date.	22,201	35,120

NOTE 7. EARNINGS PER SHARE

	2015 $'000	2014 $'000
a. Reconciliation of earnings to profit and loss		
Profit	54,414	55,448
(Profit)/loss attributable to non controlling interest	-	-
Earnings used to calculate basic EPS	54,414	55,448
Earnings used in the calculation of dilutive EPS	54,414	55,448
b. Weighted average number (000) of ordinary shares outstanding during the year in calculating basic EPS	226,676	182,810
Weighted average number (000) of dilutive options outstanding	262	1,866
Weighted average number (000) of ordinary shares outstanding during the year used in calculating dilutive EPS	226,938	184,676

NOTE 8. TRADE AND OTHER RECEIVABLES

	2015 $'000	2014 $'000
CURRENT		
Trade debtors	82,063	138,296
Less – Impairment for doubtful debts	(1,821)	-
	80,242	138,296

NOTE 9. FINANCIAL ASSETS

	2015 $'000	2014 $'000
Shares in Listed corporations at Fair Value - current	-	4,500
Shares in Listed corporations at Fair Value - non current	1,898	-
	1,898	4,500

NOTE 10. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)* 2015	2014
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%
MACA Mineracao e Construcao Civil Ltda	Brazil	100%	-

* Percentage of voting power in proportion to ownership

NOTE 11. PROPERTY, PLANT & EQUIPMENT

	2015 $'000	2014 $'000
PLANT AND EQUIPMENT		
Plant and equipment – at cost	377,203	328,556
Accumulated depreciation & impairment	(221,803)	(160,669)
	155,400	167,887
Motor vehicles – at cost	8,654	9,189
Accumulated depreciation	(7,008)	(6,422)
	1,646	2,767
Leased plant and equipment – at cost	1,080	1,080
Accumulated depreciation	(1,080)	(1,080)
	-	-
Low value pool – at cost	175	175
Accumulated depreciation	(114)	(99)
	61	76
Leasehold improvements – at cost	1,688	1,597
Accumulated depreciation	(231)	(69)
	1,456	1,528
Total plant and equipment	158,564	172,258
Total property, plant and equipment	158,564	172,258

The Group monitors market conditions for indications of impairment of its operating assets. Where a trigger event occurs which indicates an impairment may have occurred, a formal impairment assessment is performed.

The following trigger events have been identified as at 30 June 2015:

- The carrying amount of the Group's net assets exceed the Company's market capitalisation

- The deterioration in market conditions and commodity prices (particularly iron ore) which have adversely impacted the Group's operations

As a result, an assessment has been made of the recoverable amounts of each of the Mining and Crushing Cash Generating Units (CGU's) as at 30 June 2015 on a value in use basis. Both CGUs form part of the Group's core Mining Services operating segment. For this purpose, cash flows have been projected for 5 years from the continuing use of assets within each CGU as well as the disposal of any assets, and have been discounted using a pre-tax discount rate that reflects the assessed risks specific to the CGU's. Projected future cash flows from the continuing use of assets have been based on the current contracted work in hand plus, in the case of the Mining CGU, a modest allowance for estimated new work. No terminal growth rate has been applied to the Crushing CGU cash flows and a 2% terminal growth rate (beyond FY2017) has been applied to the Mining CGU cash flows. The pre tax discount rates which have been applied to each of these CGU's are 16.6% and 17.2% respectively.

The assessment has resulted in an impairment of $5.8million to the plant and equipment employed within the Crushing CGU and no impairment to the assets employed within the Mining CGU.

	2015 $'000	2014 $'000
NOTE 12. TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured Liabilities:		
Trade creditors	38,374	68,659
Sundry creditors and accruals	16,362	10,288
	54,736	78,947

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

NOTE 13. FINANCIAL LIABILITIES

CURRENT		
Secured Liabilities:		
Finance lease liability	41,032	39,846
	41,032	39,846
NON-CURRENT		
Secured Liabilities		
Finance lease liability	35,198	58,024
	35,198	58,024

NOTE 14. ISSUED CAPITAL

232,676,373 (2014: 202,676,373) Fully paid ordinary shares with no par value	209,016	152,290

(a) **Ordinary shares:**	**No.**	**No.**
At the beginning of the reporting period	202,676,373	172,500,000
Shares issued during the year		
– 4 March 2013 – Capital Raising	-	-
– 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
– 11 September 2014 – Capital Raising	30,000,000	
Shares at reporting date	232,676,373	202,676,373

The company has no authorised share capital. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

NOTE 15. CAPITAL & LEASING COMMITMENTS

(a) **Capital expenditure commitments**

Capital expenditure commitments contracted for:		
Plant and equipment purchases	18,519	4,802
Payable		
– not later than 12 months	18,519	4,802
– between 12 months and 5 years	-	-
– greater than 5 years	-	-
Minimum Commitments	18,519	4,802

(b) **Finance lease commitments**

Payable — minimum lease payments		
– not later than 12 months	43,969	43,050
– between 12 months and 5 years	36,731	62,163
– greater than 5 years	-	-
Minimum lease payments	80,700	105,213
Less: Future Finance Charges	(4,470)	(7,344)
	76,230	97,869

(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	1,515	1,400
– between 12 months and 5 years	5,824	5,600
– greater than 5 years	-	2,800
	7,339	9,800

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 two geographical segments being the provision of civil and contract mining services to the mining industry throughout Australia and mining services to the mining industry in Brazil, South America.

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting Policies Adopted

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

Inter-segment transactions

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

Segment assets

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

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

Segment liabilities

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

Consolidated - June 2015	**Mining $'000**	**Civil $'000**	**Unallocated $'000**	**Total $'000**
Revenue				
Total reportable segment revenue	541,394	56,612	-	598,006
Other Revenue	1,058	74	2,262	3,394
Total revenue	542,452	56,686	2,262	601,400
Earnings before interest, tax, depreciation and amortisation	135,976	437	1,762	138,175
Depreciation and amortisation	(58,795)	(259)	-	(59,054)
Interest Revenue	620	74	2,262	2,956
Finance costs	(4,428)	-	-	(4,428)
Profit/(loss) before income tax expense	73,373	252	4,024	77,649
Income tax expense				(23,236)
Profit after income tax expense				54,413
Assets				
Segment assets	240,770	31,953	126,472	399,195
Total assets				399,195
Liabilities				
Segment liabilities	116,154	26,780	292	143,226
Total liabilities				143,226
Capital expenditure	50,829	140	-	

Consolidated - June 2014	Mining $'000	Civil $'000	Unallocated $'000	Total $'000
Revenue				
Total reportable segment revenue	515,485	74,100	-	589,585
Other Revenue	1,954	104	3,744	5,802
Total revenue	517,439	74,204	3,744	595,387
Earnings before interest, tax, depreciation and amortisation	129,009	5,928	(301)	134,636
Depreciation and amortisation	(52,175)	(362)	-	(52,537)
Interest Revenue	654	104	2,617	3,375
Finance costs	(5,757)	(127)	-	(5,884)
Profit/(loss) before income tax expense	71,731	5,543	2,316	79,590
Income tax expense				(24,142)
Profit after income tax expense				55,448
Assets				
Segment assets	296,702	21,133	114,375	432,210
Total assets				432,210
Liabilities				
Segment liabilities	169,053	16,212	8,225	193,490
Total liabilities				193,490
Capital expenditure	50,989	35	-	

Geographical information	**Revenue**		**Non-current assets**	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Australia	573,876	595,387	141,337	177,593
Brazil	27,524	-	35,091	-
Total	601,400	595,387	176,428	177,593

Major customers

The Group has a number of customers to whom it provides both products and services. The Group supplies 3 single external customers in the mining segment which account for 31%, 21% and 12% of external revenue. (2014: 32%, 21%, 20%). The next most significant client accounts for 11% (2014:10%) of external revenue.

NOTE 18. CASH FLOW INFORMATION

	2015 $'000	2014 $'000
(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	118,533	104,540
Bank overdraft	-	-
	118,533	104,540
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating profit after income tax	54,413	55,448
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	59,053	52,537
Impairment of plant and equipment	5,772	-
Impairment of debtors	1,821	-
Net (gain)/loss on disposal of plant and equipment	(84)	1,738
Net (gain)/loss on disposal of investments	(2,132)	-
Foreign exchange losses	753	-
Share based payment	232	285
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	56,232	(77,861)
(Increase)/decrease in other assets	(2,137)	(2,333)
(Increase)/decrease in inventories & WIP	(8,315)	(687)
Increase/(decrease) in trade and other payables	(23,984)	17,060
Increase/(decrease) in income tax payable	(4,591)	(131)
Increase/(decrease) in deferred tax payable	(1,406)	(374)
Increase/(decrease) in provisions	833	1,160
	136,461	46,842

(c) **Non-cash financing and Investing Activities**

During the year the economic entity acquired plant and equipment with an aggregate value of $17,945,477 (2014: $30,421,468) 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 (2014: nil)

NOTE 19. SHARE-BASED PAYMENTS

(a) Options

There were no options issued for the year ended 30 June 2015. 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 2013:	3,976,373	1.15
Granted	-	-
Forfeited	-	-
Exercised	3,976,373	1.15
Expired	-	-
Options outstanding as at 30 June 2014:	-	-
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2015:	-	-

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 no performance issued during the year. (2014: 446,830) On 12 November 2014 sharehlders approved the issue of 183,280 performance rights to the Managing Director Mr Chris Tuckwell. At the date of this report these rights were yet to be issued. As at 30 June 2015 there were 261,830 performance rights on issue.

NOTE 20. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year MACA Limited has executed a contract with Avanco Resources Limited in relation to its Antas North project in Brazil, South America. The contract is expected to generate revenue of approximately $120 million over a contract term of 5 years. The contract will require approximately $20 million in capital equipment during the financial year ended 30 June 2016.

Subsequent to the end of the financial year MACA received shares and options in Atlas Iron Limited for a subscription value of approximately $4.79 million. Upon the shares relisting, MACA transferred amounts outstanding to available for sale investments after booking an impairment on debtors of $0.76 million. MACA's exposure is capped at $1.37 million under an insurance policy.

Kimberley Diamond Company Pty Ltd was placed into administration owing MACA $1.55 million. An impairment on trade debtors has been recognised as an expense in the accounts at 30 June 2015.

MACA appointed Mr Robert Ryan as a Non-Executive Director. Refer ASX announcement 18 August 2015.

MACA has been awarded the Fortescue River Bridge by the MRWA in joint venture capacity.