



Appendix 4E Preliminary final report

1. Company details

Name of entity:	MLG OZ Ltd
ACN:	102 642 366
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	23.6% to	257,815
Profit from ordinary activities after tax attributable to the owners of MLG OZ Ltd	up	118.8% to	12,457

The revenue and profit increase was predominantly attributable to the full year impact of the Fortescue crushing plants which were being constructed in FY20 at Christmas creek and became fully operational during FY21. In addition, revenues included the settlement funds agreed with Fortescue to cease operation of these plants at the end of June 2021. There were also a number of renewals of mine site services and bulk haulage contracts which negotiated higher rates in FY21.

3. Net tangible assets

	Reporting period Cents	Previous period Cents *
Net tangible assets per ordinary security	153	No relevant comparison

**The Number of shares in issue in the previous reporting period was 1 which gives an NTA of ~\$178.4m*

4. Dividends

Dividends declared during the financial year were as follows:

	30 June 2020 \$'000	30 June 2021 \$'000
Interim ordinary dividend	\$158,735	\$120,870
Final ordinary dividend	\$130,147	\$-

Both Interim and final dividend were fully franked to 100%

The Company has determined to pay a final fully franked dividend for 30 June 2021 of \$0.0171 per share, totaling \$2,490,943.

5. Details of associates and joint venture entities

Associates

NA

Joint Venture

NA

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

7. Attachments

Details of attachments (if any):

The Annual Report for the year ended 30 June 2021 will be issued later today.

8. Signed

Signed '*Phil Mirams*'

Date: 25 August 2021

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2021

	Notes	Consolidated 2021 \$	Consolidated 2020 \$
Revenue	5	257,814,795	208,594,217
Changes in inventories of finished goods and work in progress		(3,264,849)	(4,777,786)
Employee benefits expense		(89,730,609)	(79,494,749)
Other employee expenses		(8,259,832)	(7,089,937)
Operational repairs and maintenance expense		(34,051,573)	(31,248,363)
Equipment and labour hire expenses		(31,278,956)	(20,702,261)
Fuel expenses		(19,283,040)	(16,529,996)
Subcontractor charges		(13,964,328)	(7,381,956)
Licences, registrations, permits & insurance expenses		(5,246,930)	(4,266,282)
Freight expenses		(4,784,125)	(3,307,769)
Occupancy expense		(1,255,927)	(1,113,223)
Royalties expense		(459,109)	(725,662)
Other expenses		(5,997,611)	(6,204,347)
Interest and finance expense	6	(4,162,636)	(4,072,568)
Depreciation and amortisation expense	6	(18,518,733)	(13,744,751)
Profit before income tax expense		17,556,537	7,934,567
Income tax expense	7	(5,099,632)	(2,242,777)
Total comprehensive income for the year		12,456,905	5,691,790
<i>Profit per share attributable to ordinary equity holders</i>			
Basic earnings per share (\$ per share)	28	0.12	0.06
Diluted earnings per share (\$ per share)	28	0.12	0.06

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2021

		Consolidated 2021	Consolidated 2020
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	9	9,689,060	1,005,424
Trade and other receivables	10	42,226,392	33,392,444
Inventories	11	14,214,135	9,865,768
Total current assets		66,129,587	44,263,636
NON-CURRENT ASSETS			
Other financial assets	12	-	445,000
Property, plant and equipment	13	152,097,538	128,011,644
Deferred exploration and evaluation expenditure		59,911	59,911
Right to use assets	14	4,598,532	5,960,824
Intangible assets		1,047	1,047
Total non-current assets		156,757,028	134,478,426
Total assets		222,886,615	178,742,062
CURRENT LIABILITIES			
Trade and other payables	15	47,074,170	35,049,244
Financial liabilities	16	28,228,561	49,007,310
Lease liabilities	17	1,524,589	1,449,844
Provisions	18	1,008,976	763,425
Total current liabilities		77,836,296	86,269,823
NON-CURRENT LIABILITIES			
Financial liabilities	16	18,225,829	28,401,728
Lease liabilities	17	3,287,128	4,515,400
Provisions	18	326,625	370,862
Deferred tax liability	7	8,986,086	4,704,658
Total non-current liabilities		30,825,668	37,992,648
Total liabilities		108,661,964	124,262,471
Net assets		114,224,651	54,479,591
EQUITY			
Issued capital	19	47,409,025	1
Retained earnings		66,815,626	54,479,590
Total equity		114,224,651	54,479,591

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2021

	<i>Issued Capital</i>	<i>Retained Earnings</i>	<i>Total</i>
	\$	\$	\$
Consolidated			
Balance at 1 July 2019	1	49,076,682	49,076,683
Net profit after tax for the period	-	5,691,790	5,691,790
Total comprehensive income for the year	-	5,691,790	5,691,790
Dividends provided for or paid	-	(288,882)	(288,882)
Balance at 30 June 2020	1	54,479,590	54,479,591
Consolidated			
Balance at 1 July 2020	1	54,479,590	54,479,591
Net profit after tax for the period	-	12,456,905	12,456,905
Total comprehensive income for the year	-	12,456,905	12,456,905
Dividends provided for or paid	-	(120,869)	(120,869)
Equity shares issued	47,409,024	-	47,409,024
Balance at 30 June 2021	47,409,025	66,815,626	114,224,651

The accompanying notes form part of these financial statements

Statement of Cash Flows for the Year Ended 30 June 2021

	Notes	Consolidated 2021 \$	Consolidated 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		273,078,094	221,050,831
Payments to suppliers and employees		(234,992,853)	(193,957,045)
Interest received		591	5,288
Finance costs		(1,596,781)	(1,678,083)
Income tax paid		(3,138,569)	(2,402,510)
Fuel tax credits received		3,543,159	3,212,092
Net cash provided by operating activities	9	36,893,641	26,230,573
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(12,928,828)	(21,193,074)
Proceeds from sale of property, plant and equipment		153,269	-
Net cash (used in) investing activities		(12,775,559)	(21,193,074)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(120,870)	(288,882)
Net movement in borrowings from related entities		445,000	(37,000)
Proceeds from / (repayments of) borrowings	9	(3,712,949)	16,012,103
Payments in relation to hire purchase agreements	9	(47,250,891)	(22,475,902)
Repayment of lease liabilities		(1,496,404)	(1,837,769)
Issue of share capital		47,409,024	
Net cash provided (used in) financing activities		(4,727,090)	(8,627,450)
Net increase/(decrease) in cash held		19,390,992	(3,589,951)
Cash at the beginning of the financial period		(9,701,932)	(6,111,981)
Cash and cash equivalents at the end of the period	9	9,689,060	(9,701,932)

The accompanying notes form part of these financial statements

Note 1: Basis of Preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for selected non-current assets, financial assets and financial liabilities, which have been measured at fair value as explained in the relevant accounting policies. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The entity's principal activities are detailed in the Director's Report.

(a) Statement of compliance

The financial report was authorised for issue on 24 August 2021.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) New, revised or amending Accounting Standards and Interpretations adopted

New, revised or amending Accounting Standards and Interpretations adopted
Standards and Interpretations applicable to 30 June 2021

The Directors have reviewed all Standard and Interpretations on issue not yet adopted for the period ended 30 June 2021. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted by the Company, and therefore, no change is necessary to Group accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Note 2: Significant Accounting Policies

(a) Revenue from Contracts with Customers

Revenue arises mainly from the provision of haulage, site services and crushing services and the sale of various commodities. The Group only generates revenue in Australia.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related statement of financial position items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Group incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

For contracts with multiple components to be delivered such as haulage, and site services management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

The Group's main revenue streams are as follows:

- **Site Services**
The Group performs haulage and site services on various mine sites. These activities whilst usually are highly integrated with other activities and accordingly are accounted as multiple performance obligations. Whilst these contracts are usually long term, the performance obligations associated with them are completed on a short term basis and the revenue is recognised when each performance obligation is completed. Consequently, the Group recognises revenue at a point in time. Payment terms are usually within 30 to 60 days.
- **Crushing Services**
The Group performs crushing services. These activities are highly integrated and accordingly where appropriate are accounted for as a single performance obligation. Performance obligations are fulfilled over time as when the crushing is performed the Group has a right of payment for services delivered. Consequently, revenue is recognised over time. Payment terms are usually within 30 to 60 days.

- **Commodities**
Commodities are sold to various customers on a on demand basis. These sales are completed on an individual basis and are completed when the control of the commodities sold are transferred to the customer. Consequently, the Group recognises revenue at a point in time. Payment terms are usually within 30 to 60 days.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

(b) Income Tax Expense

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

MLG Oz Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

MLG Oz Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(c) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(d) Cash and Cash Equivalents

Cash comprises cash at bank and in hand.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 90 days.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

The Group also maintains debtor insurance over clients that qualify.

(f) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials – based on the costs incurred in extracting and allocated based on the quantities on hand at period end.

Finished goods – purchase cost on a first-in, first-out basis.

Spares and parts - purchase cost on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Freehold land and buildings	20 years
Earth moving equipment	5-25 years
Crushing and screening	5-25 years
Ancillary equipment	5-25 years
Fixtures & fittings	10 years
Light and service vehicles	4-10 years
Trucks and trailers	4-10 years
Computer software/hardware	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Revaluation

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrease is recognised in profit or loss, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance date.

(i) Trade and Other Payables

Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

(j) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(l) Parent Entity Disclosures

The financial information for the parent entity, MLG Oz Limited, has been prepared on the same basis as the consolidated financial statements.

(m) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of MLG Oz Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares

(n) New Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Company accounting policies.

Note 3: Significant Accounting Estimates and Assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(b) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(c) Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(d) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(e) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the

asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(f) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 4: Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of MLG Oz Limited.

The Board has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operational segments with discrete financial information.

The Board of Directors' review internal management reports on a monthly basis that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows.

The Company has one customer site where the revenue from that customer was in excess of 10% of the Company's revenue. Customer A generated 13% (2020: 12%) of the Company's revenue for the year.

Note 5: Revenue

	Consolidated 2021 \$	Consolidated 2020 \$
Revenue from contracts with customers	254,015,952	205,135,545
Fuel tax credits	3,470,286	3,311,327
Other revenue	328,557	147,345
	257,814,795	208,594,217

Disaggregation of revenue

The Group derives its revenue from the sale of goods and the provision of services at a point in time and over time in the following categories.

	2021 \$	2020 \$
<i>At a point in time</i>		
Mine site services and bulk haulage	179,353,261	165,627,428
Crushing and screening	55,477,606	28,858,064
Export logistics	6,719,916	3,749,290
<i>Over time</i>		
Civil works	12,465,169	6,900,764
Total revenue from contracts with customers	254,015,952	205,135,545

Note 6: Expenses

	Notes	Consolidated 2021	Consolidated 2020
		\$	\$
Interest and finance expense			
- Hire purchase charges		2,497,153	2,144,347
- Bank interest		607,286	990,581
- Interest on right of use assets		305,070	366,729
- Bank fees		753,127	570,912
		4,162,636	4,072,568
Depreciation and amortisation expense			
- Depreciation of right of use asset		1,644,700	1,475,462
- Depreciation charge		16,874,033	12,269,289
		18,518,733	13,744,751

Note 7: Income Tax Expense

Income tax recognised in profit or loss

The major components of tax expense are:

	Consolidated 2021	Consolidated 2020
	\$	\$
• Current tax expense	-	773,642
• Deferred tax expense	5,099,632	1,469,138
	5,099,632	2,242,780

Reconciliation

	Consolidated 2021	Consolidated 2020
	\$	\$
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit before income tax	17,556,537	7,934,567
Corporate tax rate	30%	30%
Income tax expense calculated	5,266,961	2,380,370
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
• Tax effect of non-deductible expenses	37,222	37,452
• Over (Under) Provision of tax in the prior year	-	(175,045)
• Movement of temporary differences through share capital	(204,551)	-
Income tax expense reported in the consolidated statement of profit or loss and other comprehensive income	5,099,632	2,242,777

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2019: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

Current tax payable comprise

	Notes	Consolidated 2021	Consolidated 2020
		\$	\$
Income tax payable/(receivable) attributable to:			
• Parent entity		(2,081,775)	(239,268)
• Subsidiaries in the tax consolidation group		224,198	(19,235)
	10, 15	(1,857,577)	(258,503)

Deferred tax liabilities comprise

30 June 2021	Consolidated			
	Opening balance	Charged to income	Charged to equity	Closing balance
	\$	\$	\$	\$
Prepayments	(545,614)	(80,511)	-	(626,125)
Plant and equipment	(6,995,660)	(6,735,908)	-	(13,731,568)
Inventory	(206,887)	(180,591)	-	(387,478)
Employee provisions	2,121,978	324,191	-	2,446,169
Other provisions	200,709	243,521	-	444,230
ROU Assets	1,326	62,628	-	63,954
Previously expensed blackhole costs	711,526	416,143	-	1,127,669
Equity raising blackhole costs	-	-	818,204	818,204
Tax losses	-	838,539	-	838,539
Other	7,964	12,356	-	20,320
	(4,704,658)	(5,099,632)	818,204	(8,986,086)

30 June 2020	Consolidated			
	Opening balance	Charged to income	Charged to equity	Closing balance
	\$	\$	\$	\$
Prepayments	(249,170)	(296,444)	-	(545,614)
Plant and equipment	(4,424,213)	(2,571,447)	-	(6,995,660)
Inventory	(257,626)	50,739	-	(206,887)
Employee provisions	1,587,746	534,232	-	2,121,978
Other provisions	86,143	114,566	-	200,709
ROU Assets	-	1,326	-	1,326
Previously expensed blackhole costs	21,600	689,926	-	711,526
Other	-	7,964	-	7,964
	(3,235,520)	(1,469,138)	-	(4,704,658)

Note 8: Dividends

Dividends declared and paid during the year

	Consolidated	Consolidated
	2021	2020
	\$	\$
Fully franked dividends paid	120,869	288,882
	120,869	288,882

Franking account balance

	Consolidated	Consolidated
	2021	2020
	\$	\$
Balance of franking account at year end adjusted for franking credits arising from the payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in a subsequent financial year.	20,391,462	18,844,199

The tax rate at which paid dividends have been franked is 30% (2020: 30%).

Dividends proposed will be franked at the rate of 30% (2020: 30%).

Note 9: Cash and Cash Equivalents

	Consolidated	Consolidated
	2021	2020
	\$	\$
Cash at bank	9,688,172	1,005,124
Cash on hand	888	300
	9,689,060	1,005,424

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Notes	Consolidated	Consolidated
		2021	2020
		\$	
Cash and cash equivalents		9,689,060	1,005,424
Debtor financing facility	16	-	(10,707,356)
		9,689,060	(9,701,932)

Reconciliation of profit for the year to net cash flows from operating activities

	Consolidated 2021 \$	Consolidated 2020 \$
Net profit for the year	12,456,905	5,691,788
<i>Non-cash flows in profit from ordinary activities</i>		
(Gain) / loss on sale or disposal of non-current assets	(17,441)	17,057
Depreciation of property, plant and equipment	18,518,733	13,744,751
<i>Reclassification to financing activities</i>		
Interest expense on finance liabilities	2,565,855	2,394,485
<i>Changes in operating assets and liabilities</i>		
Decrease / (Increase) in receivables	(9,038,234)	(5,421,253)
Decrease / (Increase) in inventory	(4,144,081)	(519,389)
(Decrease) / Increase in creditors	12,024,926	8,469,633
(Decrease) / Increase in provisions	245,551	384,363
(Decrease) / Increase in deferred tax liability	4,281,428	1,469,138
Net cash from operating activities	36,893,641	26,230,573

Changes in liabilities arising from financing activities

	Consolidated			
	Bank Borrowings	Hire purchase liability	Supply Chain Finance	Total
30 June 2021	\$	\$		\$
Opening balance	14,649,215	48,210,528	3,841,938	66,701,681
Net cash from/(used in) financing activities		(47,250,891)	(3,712,949)	(50,963,840)
Transferred to hire purchase	(14,649,215)	14,649,215	-	-
Non cash interest expense	-	2,497,153	-	2,497,153
Acquisition of plant and equipment by means of finance leases	-	28,219,396	-	28,219,396
Closing balance	-	46,325,401	128,989	46,454,390

	Consolidated			
	Bank Borrowings	Hire purchase liability	Supply Chain Finance	Total
30 June 2020	\$	\$		\$
Opening balance	2,479,050	41,964,719	-	44,443,769
Net cash from/(used in) financing activities	16,012,103	(22,475,902)	3,841,938	(2,621,861)
Non cash interest expense	-	2,144,347	-	2,144,347
Acquisition of plant and equipment by means of finance leases	-	26,577,364	-	26,327,226
Closing balance	18,491,153	48,210,528	3,841,938	70,543,619

Note 10: Trade and Other Receivables

	Notes	Consolidated 2021	Consolidated 2020
		\$	\$
Trade receivables	(i)	32,202,943	28,269,172
Allowance for expected credit losses		-	-
		32,202,943	28,269,172
Accrued revenue		4,133,711	1,499,650
Prepayments		3,317,304	2,935,481
Income tax payable		1,857,577	-
Other debtors		714,857	688,141
		42,226,392	33,392,444

- (i) Trade receivables are non-interest bearing and are generally on terms of 30 days. All amounts are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value.

Expected credit losses

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 30 June 2020 and 30 June 2019 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at 30 June 2020 and 30 June 2019 was determined as follows:

Consolidated 30-Jun-21	Trade receivables aging				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	-
Gross carrying amount	21,043,321	7,179,613	3,823,309	156,700	32,202,943

Consolidated 30-Jun-20	Trade receivables aging				
	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	-
Gross carrying amount	23,471,596	4,449,273	77,049	271,254	28,269,172

Note 11: Inventories

	Consolidated	Consolidated
	2021	2020
	\$	\$
- Raw materials – at cost	743,459	813,552
- Spares and parts – at cost	12,769,282	8,467,788
- Finished goods – at cost	701,394	584,428
	14,214,135	9,865,768

Note 12: Other Financial Assets

Non-current

	Notes	Consolidated 2021	Consolidated 2020
		\$	\$
Loans carried at amortised cost:			
– Loans to related parties		-	445,000

Refer to note 22.

Note 13: Property, Plant and Equipment

Carrying value

	Freehold land and buildings	Earthmoving equipment	Crushing and screening	Ancillary equipment	Fixtures and fittings	Light & service vehicles	Trucks and trailers	Work in progress	Total
	\$	\$	\$	\$		\$	\$	\$	\$
Cost	2,737,118	55,667,519	46,568,575	3,932,871	2,472,842	5,796,012	71,596,178	25,049,523	213,820,638
Accumulated depreciation	(536,207)	(23,234,327)	(8,117,628)	(1,836,627)	(1,602,551)	(3,002,009)	(23,393,751)	-	(61,723,100)
Carrying value as at 30 June 2021	2,200,911	32,433,192	38,450,947	2,096,244	870,291	2,794,003	48,202,427	25,049,523	152,097,538
Cost	2,432,646	49,223,620	26,089,639	3,487,103	2,013,261	5,959,459	64,648,931	19,509,554	173,364,213
Accumulated depreciation	(392,310)	(17,397,570)	(4,760,467)	(1,388,652)	(1,121,711)	(2,593,825)	(17,698,034)	-	(45,352,569)
Carrying value as at 30 June 2020	2,040,336	31,826,050	21,329,172	2,098,451	891,550	3,365,634	46,950,897	19,509,554	128,011,644

Reconciliation

	Consolidated								
30-Jun-21	Freehold land and buildings	Earthmoving equipment	Crushing and screening	Ancillary equipment	Fixtures and fittings	Light & service vehicles	Trucks and trailers	Work in progress	Total
	\$	\$	\$	\$		\$	\$	\$	\$
Opening balance	2,040,336	31,826,050	21,329,172	2,098,451	891,550	3,365,634	46,950,897	19,509,554	128,011,644
Additions	305,024	6,764,388	20,478,936	417,520	449,188	43,570	7,151,825	5,539,969	41,150,420
Disposals	-	(53,046)	-	(4,167)	-	(12,764)	(120,516)	-	(190,493)
Depreciation expense	(144,449)	(6,104,200)	(3,357,161)	(415,560)	(470,447)	(602,437)	(5,779,779)	-	(16,874,033)
Closing balance	2,200,911	32,433,192	38,450,947	2,096,244	870,291	2,794,003	48,202,427	25,049,523	152,097,538

30-Jun-20	Consolidated								
	Freehold land and buildings	Earthmoving equipment	Crushing and screening	Ancillary equipment	Fixtures and fittings	Light & service vehicles	Trucks and trailers	Work in progress	Total
	\$	\$	\$	\$		\$	\$	\$	\$
Opening balance	1,820,705	25,999,078	11,799,429	1,841,266	514,983	3,153,032	40,187,085	7,095,391	92,410,969
Additions	340,347	10,694,840	10,495,481	653,236	729,764	889,595	11,865,852	12,414,163	48,083,278
Disposals	-	-	-	(42,639)	-	(44,856)	(318,559)	-	(406,054)
Depreciation expense	(120,716)	(4,867,868)	(965,738)	(353,412)	(353,197)	(632,137)	(4,783,481)	-	(12,076,549)
Closing balance	2,040,336	31,826,050	21,329,172	2,098,451	891,550	3,365,634	46,950,897	19,509,554	128,011,644

Note 14: Right of Use Assets

Carrying value

	Consolidated Premises	Consolidated Equipment	Consolidated Total
	\$	\$	\$
Cost	4,764,363	2,954,331	7,718,694
Accumulated depreciation	(1,339,956)	(1,780,206)	(3,120,162)
Carrying value as at 30 June 2021	3,424,407	1,174,125	4,598,532

Reconciliation

	Consolidated Premises	Consolidated Equipment	Consolidated Total
	\$	\$	\$
Opening balance	3,803,738	2,157,086	5,960,824
Additions	342,880	-	342,880
Adjustments to leases	(60,741)	-	(60,741)
Depreciation expense	(661,741)	(982,960)	(1,644,701)
Closing balance	3,424,406	1,174,126	4,598,532

Note 15: Trade and Other Payables

	Notes	Consolidated 2021	Consolidated 2020
		\$	\$
Trade payables	(i)	20,476,256	15,518,581
Accruals		5,032,552	1,948,034
Annual leave payable		6,818,294	5,938,973
Income tax payable		-	(258,503)
Other creditors	(ii)	14,747,068	11,902,159
		47,074,170	35,049,244

(i) Trade payables are non-interest bearing and are normally settled on 30 day terms. All amounts are short term. The net carrying value of trade payables is considered a reasonable approximation of fair value.

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 20.

Note 16: Financial Liabilities

Current

	Notes	Consolidated 2021	Consolidated 2020
		\$	\$
- Invoice financing facility		-	10,707,356
- Bank borrowings	(i)	-	14,649,215
- Hire purchase liability	(ii)	28,099,572	19,808,801
- Supply chain finance	(iii)	128,989	3,841,938
		28,228,561	49,007,310

Non-current

	Notes	Consolidated 2021	Consolidated 2020
		\$	\$
- Hire purchase liability	(iii)	18,225,829	28,401,728
		18,225,829	28,401,728

Summary of borrowing arrangements

- (i) The bank borrowing facilities are with Westpac and were repaid during the course of the 2021 year, and consisted of:
- a bank bill facility, granted on 29 October 2018 for a period of 24 months; the final 4 payments were deferred for 6 months by Westpac as part of the Christmas Creek Fixed Plant financing arrangement. The loan was secured by a fixed and floating charge over all of MLG Pty Ltd assets and uncalled capital.
 - a trade finance facility taken out for the construction of the Christmas Creek Fixed Plant. Following the completion of the project, this was consolidated to a new loan repayable over 18 months from October 2020.
- (ii) There are various finance lease obligations currently in place charged at fixed interest rates appropriate to the leased asset. These leases expire over a varied timeframe. Security is largely based on the individual assets leased.
- (iii) The supply chain finance is a short-term finance arrangement in place for a period of 4 months from draw down.

Financing facilities available

At balance date, the following financing facilities had been negotiated and were available:

	Consolidated 2021	Consolidated 2020
	\$	\$
Total facilities		
• Invoice financing facility	5,000,000	12,500,000
• Bank borrowings	-	14,649,215
• Supply chain finance	4,000,000	4,000,000
	9,000,000	31,149,215
Facilities used at balance date		
• Bank overdraft	-	10,707,356
• Bank borrowings	-	14,649,215
• Supply chain finance	128,989	3,841,938
	128,989	29,198,509
Facilities unused at balance date		
• Bank overdraft	5,000,000	1,792,644
• Bank borrowings	-	-
• Supply chain finance	3,871,011	158,062
	8,871,011	1,950,706

The invoice finance facility was reduced to \$5m prior to year end.

The supply chain finance was closed out post year end as no additional cost was incurred to do this. There is no balance held as at the date of this report.

Fair value disclosures

Details of the fair value of the Group's borrowings are set out in Note 20.

Note 17: Lease liabilities

Fair Value

	Consolidated Premises	Consolidated Equipment	Consolidated Total
	\$	\$	\$
Current liabilities	590,994	933,595	1,524,589
Non-current liabilities	3,097,363	189,765	3,287,128
Carrying value as at 30 June 2021	3,688,357	1,123,360	4,811,717

	Consolidated Premises	Consolidated Equipment	Consolidated Total
	\$	\$	\$
Current liabilities	570,366	879,478	1,449,844
Non-current liabilities	3,392,098	1,123,302	4,515,400
Carrying value as at 30 June 2020	3,962,464	2,002,780	5,965,244

Reconciliation

	Consolidated Premises	Consolidated Equipment	Consolidated Total
	\$	\$	\$
Opening balance	3,962,464	2,002,779	5,965,243
Lease inception	342,880	-	342,880
Principal repayments	(616,985)	(879,419)	(1,496,404)
Closing balance	3,688,359	1,123,360	4,811,719

Right-of-use leased assets

Leased assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. On initial adoption of AASB 16 *Leases*, the Group has adjusted the right-of-use leased assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right-of-use lease asset and shows indicators of impairment and an impairment loss is recognised against any right-of-use lease assets that is impaired.

Leases, which transfer to the Group substantially the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in short-term and long-term payables. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the Condensed Statement of Profit or Loss and Other Comprehensive Income.

Leased assets are depreciated on a straight-line basis over the estimated useful life of the asset.

Note 18: Provisions

Current

	Consolidated 2021	Consolidated 2020
	\$	\$
Employee benefits	1,008,976	763,425

Non-current

	Consolidated 2021	Consolidated 2020
	\$	\$
Employee benefits	326,625	370,862

Note 19: Issued Capital

	2021	2020	2021	2020
	Shares	Shares	\$	\$
Ordinary shares issued and fully paid	1	145,669,163	1	145,669,163

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Movements in ordinary share capital

	Date	Shares	Issue price	\$
Balance	1-Jul-19	1	\$1.00	1
Balance	30-Jun-20	1	\$1.00	1
Share split	30-Apr-21	95,669,162	\$0.00	-
Issue of shares at IPO	30-Apr-21	50,000,000	\$1.00	50,000,000
Share issue costs for the year	30-Apr-21	-	-	(2,590,976)
Balance	30-Jun-21	145,669,163	\$1.00	47,409,025

Note 20: Financial Instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2019.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Financial risk management objectives

The Group is exposed to, (i) market risk (which includes foreign currency exchange risk, interest rate risk, share price risk and commodity price risk), (ii) credit risk and (iii) liquidity risk.

The Group seeks to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the sole Director, which provide written principles on market risk, credit risk, liquidity risk and cash flow interest rate risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, and share prices.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Interest rate risk management

The Company and the Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- Profit or loss would increase/decrease by \$47,800 (2020: \$69,082); and

The Group's sensitivity to interest rate risk has not changed significantly from the prior year.

Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The group's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Service customers are required to pay the annual amount of the service upfront, mitigating the credit risk.

Trade receivables consist of a large number of customers in various industries and geographical areas.

Security

Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any security on the trade receivables balance.

In addition, the group does not hold collateral relating to other financial assets (e.g. derivative assets, cash and cash equivalents held with banks).

Other receivables

Other financial assets at amortised cost include amounts due from related parties refer to Note 22 for further details. There was no material impact from amortisation during the current period.

Liquidity risk management

Responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All of the trade receivables are expected to be received within 6 months of balance date.

Non-derivative financial liabilities

The following tables detail the Group's expected contractual maturity for its non-derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

The tables include both interest and principal cash flows.

30 June 2021	Consolidated			
	Current		Non-Current	
	Within 6 months	6 – 12 months	1 – 5 years	5+ years
	\$	\$	\$	\$
Trade and other payables	20,476,256	-	-	-
Supply chain finance	128,989	-	-	-
Lease liabilities	798,295	726,298	3,287,128	-
Hire purchase liabilities	9,242,862	18,856,710	18,225,829	-
	30,646,402	19,583,008	21,512,957	-

30 June 2020	Consolidated			
	Current		Non-Current	
	Within 6 months	6 – 12 months	1 – 5 years	5+ years
	\$	\$	\$	\$
Trade and other payables	15,518,581	-	-	-
Trade financing facility	13,920,365	-	-	-
Bank bill facility	145,850	583,000	-	-
Debtor financing facility	10,707,356	-	-	-
Supply chain finance	3,841,938	-	-	-
Lease liabilities	718,583	731,261	3,175,870	1,339,530
Hire purchase liabilities	11,761,142	9,981,755	29,820,208	-
	56,613,814	11,296,016	32,996,078	1,339,530

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Fair value measurement

Measured at fair value on recurring basis

There were no financial assets or financial liabilities measured at fair value in the statement of financial position

Not measured at fair value (but fair value disclosures are required)

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Director considers that the carrying amounts of current receivables, current payables and current borrowings are considered to be a reasonable approximation their fair values.

Note 21: Commitments

The Group has finance leases and hire purchase contracts for various items of plant and machinery.

As at the balance date, the group had no contractual commitments.

Note 22: Related Party Disclosures

Transactions with Key Management Personnel

The aggregate compensation made to the Key Management Personnel of the Group is set out below:

	Consolidated 2021	Consolidated 2020
	\$	\$
Short-term employee benefits	624,721	187,200
Post-employment benefits	58,007	24,898
Other reportable benefits	53,579	26,925
	736,327	239,023

Related party transactions

The following table presents the total amount of transactions that were entered into with related parties for the relevant financial period.

	Consolidated 2021	Consolidated 2020
	\$	\$
Amounts receivable from related parties:		
Kimberly Granite Quarries Pty Ltd	-	352,000
Reef Mining Pty Ltd	-	93,000
	-	445,000

Kimberly Granite Quarries Pty Ltd and Reef Mining Pty Ltd are both companies, Murray Leah, a director, is a related person. These receivables were interest free and are payable on call.

Murray Leahy purchased MLG's Kalgoorlie Airport Hangar and a light vehicle from the company on 30 June 2021, a transaction totalling \$585,247. As at 30 June 2021, the company owed Murray Leahy \$1,693 (2020: \$nil).

Note 23: Contingent Liabilities and Assets

The Group has no contingent liabilities and assets as at 30 June 2021 (2020: Nil).

Note 24: Interest in Subsidiaries

Transactions with subsidiaries

The consolidated financial statements include the financial statements of MLG Oz Limited and the subsidiaries listed in the following table.

	Country of incorporation	Equity Interest	
		2021	2020
		%	%
MLG Cement and Lime Pty Ltd	Australia	100	100
MLG Connect Pty Ltd	Australia	100	100

MLG Oz Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Note 25: Parent Entity Disclosures

Statement of financial position

	2021	2020
	\$	\$
Current assets	64,238,317	43,320,911
Non-current assets	157,166,081	134,881,362
Current liabilities	76,873,175	85,672,793
Non-current liabilities	30,825,662	37,994,723
Net assets	113,705,561	54,534,757
Equity		
Issued capital	47,409,024	1
Retained earnings	66,296,536	54,534,756
Total equity	113,705,561	54,534,757

Statement of profit or loss and other comprehensive income

	2021	2020
	\$	\$
Profit for the year	11,882,650	5,731,004
Other comprehensive income	-	-
Total comprehensive income	11,882,650	5,731,004

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

As at 30 June 2021, MLG Oz Limited has entered into a deed of cross guarantee with its wholly-owned subsidiary, MLG Cement & Lime Pty Ltd.

Contingent liabilities of the parent entity

As at 30 June 2021 MLG Oz Limited has no contingent liabilities (2020: Nil)

Note 26: Auditor's Remuneration

The auditor of MLG Oz Limited is HLB Mann Judd.

	Consolidated 2021	Consolidated 2020
	\$	\$
Auditor of the parent entity		
• Audit of the financial statements	60,000	60,000
• Other services	-	5,154

Note 27: Significant Events after Balance Date

There have been no significant events after the balance date to the date of this report.

Note 28: Earnings Per Share

	Consolidated 2021	Consolidated 2020
	\$	\$
<i>Earnings per share for profit from continuing operations</i>		
Profit after income tax attributable to the owners of MLG Oz Limited	12,456,905	5,691,790

	Consolidated 2021	Consolidated 2020
	\$	\$
Basic earnings per share	0.12	0.06
Diluted earnings per share	0.12	0.06

	Consolidated 2021	Consolidated 2020
	\$	\$
<i>Weighted average earnings per share</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	104,162,314	95,669,163
Weighted average number of ordinary shares used in calculating diluted earnings per share	104,162,314	95,669,163

On 30 April 2021 there was a share split of 1 to 95,669,163 that was taken into account for the calculation both in the current and prior year comparative.