

MACA LIMITED

ABN: 42 144 745 782

Statutory Financial Report
30 June 2022



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Corporate Registry

MACA LIMITED: ABN 42 144 745 782

DIRECTORS

Geoffrey Baker - *Non-Executive Chairman*
Robert Ryan - *Independent Non-Executive Director*
Nicholas Marinelli - *Independent Non-Executive Director*
David Flanagan - *Independent Non-Executive Director*
Rachel Rees - *Independent Non-Executive Director*

JOINT COMPANY SECRETARIES

Peter Gilford - *Company Secretary*
Nicholas Ward - *Company Secretary*

REGISTERED OFFICE

45 Division Street
WELSHPOOL WA 6106
Telephone (08) 6242 2600

SOLICITORS

Aphelion Legal
Corporate and Commercial Law
PO Box 8250, South Perth,
PERTH WA 6151

AUDITORS

Moore Australia Audit (WA)
Exchange Tower
2 The Esplanade
PERTH WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
11 / 122 St Georges Terrace
PERTH WA 6000

STOCK EXCHANGE LISTINGS

MACA Limited shares are listed on the Australian Securities Exchange

ASX CODE: MLD
www.maca.net.au

CONSTITUTION

A copy of MACA's constitution can be accessed at:
<https://www.maca.net.au/corporate-governance/corporate-governance-practices/>

Directors' Report

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of MACA Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2022.

DIRECTORS

The following persons held office as Directors of MACA Limited during the financial year and up to the date of this report:

Mr Geoffrey Baker (Non-Executive Chairman)

Mr Baker is a founding shareholder of MACA. He has extensive experience in planning, operating strategy, capital expenditure and delivery of successful safety and financial outcomes for projects. Mr Baker has worked in the sector for over 40 years, with a focus on plant maintenance and asset management.

- Qualifications: MAICD
- Current Directorships: Mr Baker has been a board member of MACA Limited since the 10th of November 2010.
- Former Directorships (last three years): Nil
- Special Responsibilities: Mr Baker is currently a member of the Board's Audit Committee, Risk Committee and Remuneration Committee.
- Interest in shares: 13,613,816
- Interest in performance rights: nil

Mr Robert Ryan (Non-Executive Director)

Mr Ryan has extensive civil construction and engineering experience. That experience has been at both project and management levels in construction and asset management. Mr Ryan worked at a senior level with Downer EDI for 14 years as EGM Downer Infrastructure WA for four years then reporting directly to the CEO of Downer EDI Infrastructure working on various business improvement projects nationally and overseas.

- Qualifications: MIEAust
- Current Directorships: Mr Ryan has been a board member of MACA Limited since 18th August 2015.
- Former Directorships (last three years): Nil
- Special Responsibilities: Mr Ryan is currently the Chair of the Board's Remuneration Committee and member of the Audit Committee and Risk Committee.
- Interest in shares: 73,256
- Interest in performance rights: nil

Mr Nicholas Marinelli (Non-Executive Director)

Nicholas has over 35 years' industry experience in the Construction, Infrastructure Services and Utilities sectors. He was the CEO of Fulton Hogan Australia between 2017 and 2019, during which time he grew the business into new sectors and geographies, in addition to leading commercial acquisition activities, new venture start-ups, marketing, business development and technology. Prior to joining Fulton Hogan in 2009, Nicholas held senior positions with Rinker Australia, Cemex Australia, Pioneer Construction Materials and Pioneer International, both locally in Australia and overseas.

- Qualifications: B Bus, GAICD
- Current Directorships: Mr Marinelli has been a board member of MACA Limited since 3rd May 2021.
- Former Directorships (last three years): Nil
- Special Responsibilities: Mr Marinelli is currently the Chair of the Board's Risk Committee and member of the Audit Committee and Remuneration Committee.
- Interest in shares: nil
- Interest in performance rights: nil

Directors' Report (continued)

DIRECTORS (continued)

Mr David Flanagan (Non-Executive Director, commenced 30 September 2021)

David Flanagan is a geologist with more than 25 years' experience in the mining and mineral exploration industry in Australia, Indonesia and Africa. David has a BSc in Mining and Minerals Exploration Geology, undertaken at Curtin University, WA School of Mines in Western Australia. He is a Fellow of the Australian Institute of Company Directors and Member of the Australian Institute of Mining and Metallurgy. David was the founding Managing Director of Atlas Iron Limited, during which he oversaw its growth from a junior explorer to an ASX top 50 company.

- Qualifications: BSc (Mining), FAICD, MAusIMM
- Current Directorships: Chairman of Battery Minerals Limited
- Former Directorships (last three years): Magmatic Resources Limited and CZR Resources Limited
- Special Responsibilities: Mr Flanagan is currently a member of the Audit Committee, Remuneration Committee and Risk Committee.
- Interest in shares: nil
- Interest in performance rights: nil

Ms Rachel Rees (Non-Executive Director, commenced 8 November 2021)

Rachel is an experienced senior executive and non-executive director with expertise in business transformation, mergers and acquisitions, corporate governance, stakeholder engagement, strategy, compliance, financial and risk management. She has a Bachelor of Business and is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of Governance Institute of Australia and a Fellow of Chartered Governance Institute and has held CFO and senior executive roles with ASX, TSX listed and private companies across diverse industries including mining, energy, logistics and industrial conglomerates

- Qualifications: BBus, GradDipACG, FGIA, FCG, FCA
- Current Directorships: Peninsula Energy Limited
- Former Directorships (last three years): Nil
- Special Responsibilities: Ms Rees is currently the Chair of the Board's Audit Committee and member of the Remuneration Committee and Risk Committee.
- Interest in shares: nil
- Interest in performance rights: nil

Mr Michael Sutton (Chief Executive Office and Managing Director, resignation effective 22 July 2022)

Michael is an experienced Civil Engineer with over 40 years' experience gained in various senior roles within the mining and civil contracting industries, having worked internationally with more than 20 years spent in Western Australia. Prior to joining MACA, Mr Sutton held the role of Chief Operating Officer at Downer EDI Mining for 10 years successfully growing the business from a low base. Prior to that Michael held senior roles with Leighton Contractors and Henry Walker Eltin.

- Qualifications: BSc in Civil Engineering, MAICD, MAusIMM
- Current Directorships: Mr Sutton was a board member of MACA Limited from 1st June 2020 to 22 July 2022.
- Former Directorships (last three years): Nil
- Special Responsibilities: Mr Sutton was a member of the Board's Risk Committee.
- Interest in shares: 150,408
- Interest in performance rights: 1,606,512

Mr Linton Kirk (Non-Executive Director, resignation effective 19 November 2021)

Ms Sandra Dodds (Non-Executive Director, resignation effective 30 September 2021)

Directors' Report (continued)

JOINT COMPANY SECRETARIES

Mr Peter Gilford

Mr Gilford has significant experience in the areas of financial management, debt and equity capital markets, acquisitions, accounting, business and taxation services. He has provided services to a large number of mining, exploration and construction companies. Mr Gilford has acted in roles of Director, Company Secretary and CFO for a number of privately owned businesses. Peter is a member of the Chartered Accountants Australia and New Zealand and a member of the Governance Institute of Australia.

Mr Nicholas Ward

Nicholas is a finance and governance professional with experience in the areas of corporate finance, corporate governance and accounting. Prior to joining MACA, Nicholas spent ten years at EY with a focus on corporate finance and M&A transactions, which saw him work at a number of EY's international offices. Nicholas holds a Bachelor of Commerce degree and has completed Graduate Diplomas in both Applied Corporate Governance and Applied Finance. Nicholas is a member of the Chartered Accountants Australia and New Zealand.

MEETINGS OF DIRECTORS

The number of directors' meetings which directors were eligible to attend (including Committee meetings), and the number attended by each director during the year ended 30 June 2022 were as follows:

	Board		Audit		Remuneration		Risk	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Geoffrey Baker	11	11	2	2	2	2	2	2
Michael Sutton	11	11	2	2	2	2	2	2
Rob Ryan	11	11	2	2	2	2	2	2
Nicholas Marinelli	11	11	2	2	2	2	2	2
David Flanagan~	9	9	1	1	1	1	2	2
Rachel Rees~	9	9	1	1	1	1	2	2
Sandra Dodds^	2	2	1	1	1	1	-	-
Linton Kirk^	3	3	1	1	1	1	-	-

^Sandra Dodds and Linton Kirk resigned during the 2022 financial year.

~David Flanagan and Rachel Rees were appointed during the 2022 financial year.

The Board sitting as a Nomination Committee met twice during the year.

REMUNERATION REPORT

The audited remuneration report is set out on pages 15 to 26 and forms part of this Directors' Report.

Directors' Report (continued)

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company, the joint company secretaries and all executive and non-executive directors of the Company and any related body corporate against a liability incurred as such a director, company secretary or executive officer to the extent permitted by the Corporations Act 2001. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred by an officer or auditor. In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers has not been disclosed. This is permitted under s300(9) of the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

ASIC CI 2016/191 ROUNDING OF AMOUNTS

The Company is an entity to which ASIC CI 2016/191 Rounding of Amounts applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

NON-AUDIT SERVICES

No non-audit services were provided during the year by the auditor to the Company or any related body corporate.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 27 and forms part of the directors' report for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES AND ANY SIGNIFICANT CHANGES IN NATURE

The Group operates in three businesses and currently two geographical segments. The business segments are for the provision of contract mining, civil & infrastructure, and structural, mechanical and piping (through Interquip) services to the resource sector. The two geographical segments being Australia and Cambodia.

DIVIDENDS PAID OR RECOMMENDED

MACA paid an interim dividend of 2.5 cents per share for the 2022 financial year (2021: 2.5 cents per share). No final dividend for the 2022 financial year has been declared (2021: 2.5 cents per share) as the Board has determined to defer its decision around the declaration of a dividend as a result of the current takeover bid.

DIVIDEND REINVESTMENT PLAN

There is no dividend reinvestment plan in place.

ENVIRONMENTAL ISSUES

MACA is aware of its environmental obligations with regard to its principal activities and seeks to ensure it complies with all regulations.

Directors' Report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Group not otherwise disclosed in this Report or the Financial Statements.

CHANGES IN CONTROLLED ENTITIES

During the year MACA incorporated a new subsidiary, MACA Resources Pty Ltd for the provision of labour services.

EVENTS SUBSEQUENT TO BALANCE DATE

- Award of 3 civil contracts that comprise Rio Tinto Western Range Project Early Works, MRPV Hall Road Upgrade and Roy Hill Civil Works with a total value of approximately \$115 million;
- Mr Michael Sutton resigned as Managing Director and Chief Executive Officer of MACA effective on 22 July 2022. Mr David Greig has been appointed to the role of Chief Executive Officer;
- On 26 July 2022, MACA entered into a Bid implementation Deed ('BID') with Thiess Group Investments Pty Ltd ("Thiess"), under which Thiess has agreed to make an off-market takeover offer to MACA shareholders at the consideration of \$1.025 cash per share for each MACA Share. The Directors of MACA unanimously recommend the offer in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Offer is fair and reasonable (or not fair but reasonable) to the MACA shareholders. The Target's Statement is expected to be dispatched to MACA Shareholders in or around late August 2022. The offer is subject to certain conditions outlined in the BID;
- On 19 August 2022, MACA announced its assessment of the non-binding, conditional and indicative proposal received from NRW Holdings Limited ("NRW"), for the acquisition of all MACA shares by way of a scheme of arrangement. After careful consideration of the NRW Indicative Proposal as a whole, and of each of its components, and after taking professional advice and liaising confidentially with NRW, the MACA Board unanimously concluded that the NRW Indicative Proposal is not superior to the existing conditional off-market takeover offer from Thiess to acquire all MACA shares. MACA informed NRW that if NRW could remove or reduce the risks that the NRW Indicative Proposal asked MACA shareholders to assume and increase the total consideration offered, then MACA considered that there was a basis for further discussion, and would have welcomed such discussion (refer to the market announcement on 19 August 2022 for further details).

Other than the items listed above, no other matters or circumstances have arisen since the full year to 30 June 2022 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.

Directors' Report (continued)

Operating and Financial Review

OPERATIONS REVIEW

Presented below is MACA's Review of Operations for the financial year ended 30 June 2022

MACA thanks all of our valued employees and contractors for their significant contributions this year. The COVID-19 pandemic has presented significant challenges for our workforce with border and travel restrictions, however our people continue to respond positively to the evolving requirements and have made great contributions to help achieve another year of strong growth.

Safety

MACA remains committed to working safely and continuously improving the safety performance of the business. Creating a safe working environment for our employees remains our highest priority. Our total recordable injury frequency rate is 3.3 at 30 June 2022, down 15% from 3.9 at 30 June 2021, which is a pleasing result and a testament to the efforts of all our people.

People

MACA's workforce increased through the year to in excess of 3,700 people (June 2021: 3,279). In the 2022 financial year, COVID-19 continued to have a major impact on the Mining and Construction sector's ability to source candidates domestically and locally, and these industries have experienced unprecedented competition for labour.

MACA continues to positively react to the tight labour market, with a focus on the development of our workforce despite the challenges faced. Many initiatives are underway across our business, including competitive remuneration and benefits, investment in trainees, apprenticeships and leadership programs, recruitment bonuses, employee culture surveys, and increased employer branding and engagement on social media. Additionally, MACA is focused on embracing diversity and inclusiveness across all of our sites and offices, and we rely on our people to act in accordance with MACA's values and policies. MACA is making progress in its gender balance program and conducted female and indigenous only trainee operator intakes during FY22, and ran a number of leadership development courses for its people. One of these leadership courses was for females only, to ensure the business is proactively developing its future female leaders.

Mining and Crushing

MACA undertook contract mining operations in the gold sector for Regis Resources at the Duketon South and Duketon North operations, for Ramelius Resources at the Mt Magnet, Tampia, Penny West and Edna May (now ceased) operations and for the Gruyere JV (Gold Fields and Gold Road) at the Gruyere project. MACA continued operations for Capricorn Metals at the Karlawinda gold project where we conducted a successful first stage autonomous vehicle trial in conjunction with SafeAI and Precision Partners.

MACA undertook contract mining operations in the iron ore sector for Fortescue Metals Group at the Eliwana project, for Sino Iron at the Cape Preston project, for Atlas Iron at the Sanjiv Ridge project, for Fenix at the Iron Ridge project and for Karara Mining at the Karara project (which ceased in February 2022). During the year, MACA was awarded a one-year mining services contract for Roy Hill Iron Ore at the Sierra deposit at the Roy Hill Iron Ore project, which commenced in the second half of the FY22 financial year and utilised the existing fleet from the Karara project.

MACA also undertook mining operations in the battery metals sector for FQM Nickel Australia at the Ravensthorpe Nickel project and for Pilbara Minerals at the Pilgangoora Lithium project.

Internationally, MACA ramped up mining operations at the Okvau mine for Emerald Resources in Cambodia. MACA continues to wind down its presence in Brazil following the cessation of operations in January 2020, with associated administration costs recognised in discontinued operations.

MACA's crushing division provided crushing and screening works for BHP at Mining Area C and Eastern Ridge and crushing of stemming materials for BHP's Western Australian Iron Ore operations in the Pilbara. The Area C contract ceased late in FY22 with BHP exercising its option to acquire the crushing plant from MACA. This resulted in a positive cashflow from the sale with a further working capital unwind to occur in FY23 as a result. MACA continued crushing operations at the Iron Ridge project for

Directors' Report (continued)

OPERATIONS REVIEW (CONTINUED)

Mining and Crushing (continued)

Fenix Resources during the period, for Fortescue Metals Group at their Iron Bridge and Eliwana operations for stemming material, and at other minor projects for gold producers.

Infrastructure Maintenance

In both Western Australia and Victoria smaller long-term infrastructure works involving road maintenance continued. MACA continues to deliver for Main Roads WA under the Kimberley maintenance contract, which runs through to FY26.

Civil Construction

The Civil & Infrastructure business remains an important element of MACA's growth and diversification strategy and a number of the project awards and project deliveries in this half have highlighted the benefit of the ability to service resource sector clients either alongside or in advance of our Mining and Interquip divisions. This division provided services to existing Mining clients of the MACA business including Sino Iron, First Quantum, Ramelius Resources and Roy Hill.

During FY22, the WA Civil division also performed works packages for Mondium and continues to deliver the South West Gateway Alliance Bunbury Outer Ring Road (of which MACA is a 10% participant). Additionally, MACA was awarded a contract by Main Roads WA for the construction of three bridges over the Abba, Ludlow and Sabina rivers in the Busselton region of Western Australia. Subsequent to the end of the FY22 financial year, the WA Civil division was awarded two civil contracts, being the Rio Tinto Western Range Project Early Works (expected to generate circa \$60 million revenue over 12 months) and an additional Roy Hill Civil Works package (expected to generate circa \$16 million over six months).

In Victoria, following underperformance in the 2021 financial year which led to an internal restructure, the business has delivered pleasing results. MACA has been delivering the Major Road Projects Victoria ("MRPV") Golf Links Road upgrade in Langwarrin South (which is a target operating cost style contract) and has recently been awarded a second MRPV contract to build the eastern package of the Hall Road Upgrade, which is expected to generate approximately \$40m of revenue, with delivery through to 2024. Subsequent to the end of the FY22 financial year, the Victorian division secured a five-year maintenance contract in Yarra Ranges (expected to generate circa \$30 million over five years).

MACA Interquip

MACA Interquip (60% owned by MACA Limited) has underperformed financially this year. The focus for the FY22 financial year was the delivery of the EPC contract for the Red 5 King of the Hills ('KOTH') gold project, encompassing the KOTH processing facility, equipping of the bore fields, high voltage power distribution, workshop, warehouse and bulk earthworks, in addition to the supply of the SAG Mill and gyratory crusher. This project experienced cost overruns, primarily due to the highly constrained specialist sub-contractor and labour supply marketplace in the WA resources sector. The project was completed in the June quarter of 2022, and notwithstanding the negative financial impact of the cost overruns, the project completion and positive client feedback is a powerful demonstration of MACA's ability as a large scale EPC provider in the gold sector. An externally facilitated project review has focused the MIQ business on contract control improvements in order to ensure improved financial outcomes on current and future projects.

MACA Interquip also conducted a number of minor projects throughout FY22, the Binduli Heap Leach project for Norton Resources, and minor works for Wiluna Mining Corporation. Following the voluntary administration of the latter subsequent to year end, MACA has made an impairment of \$1.04m to the carrying value of shares in Wiluna Mining Corporation which were issued under a debt to equity conversion.

The MACA Interquip business is currently being restructured, with leadership appointments expected in the first half of the 2023 financial year and will refocus on the delivery of lower risk projects in the shorter term.

Directors' Report (continued)

Operating and Financial Review

FINANCIAL REVIEW

MACA has delivered a full year net profit after tax attributable to members at 30 June 2022 of \$42.8 million (up 197% on prior comparative period "pcp") on revenue of \$1.65 billion (up 41% on pcp). Reported earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') was \$189 million (up 39% on pcp). Our financial results were largely in line with market guidance provided in April 2022.

Financial Year Highlights:

- 41% increase in revenue to \$1,650 million
- EBITDA increased to \$189 million (up 39% on pcp)
- Operating cash flows of \$132.5 million (EBITDA cash conversion of 70%)
- Cash balance of \$91.6 million
- Net debt of \$194.1 million

Ordinary Activities	30 June 2022	(Restated)* 30 June 2021	Movement
Revenue	\$1,650.5m	\$1,173.9m	41%
EBITDA	\$190.9m	\$139.5m	37%
EBIT	\$62.5m	\$40.4m	55%
Net Profit / (Loss) Before Tax	\$52m	\$31.9m	63%
Net Profit / (Loss) After Tax	\$37.6m	\$20.7m	82%
Discontinued Operations	30 June 2022	30 June 2021	Movement
Revenue	-	-	-
EBITDA	(\$1.6m)	(\$3.7m)	56%
EBIT	(\$1.9m)	(\$4.7m)	60%
Net Profit / (Loss) Before Tax	(\$1.8m)	(\$4.5m)	60%
Net Profit / (Loss) After Tax	(\$1.8m)	(\$4.5m)	60%
Total	30 June 2022	(Restated)* 30 June 2021	Movement
Revenue	\$1,650.5m	\$1,173.9m	41%
EBITDA	\$189.2m	\$135.8m	39%
EBIT	\$60.6m	\$35.7m	70%
Net Profit / (Loss) Before Tax	\$50.2m	\$27.4m	83%
Net Profit / (Loss) After Tax	\$35.8m	\$16.2m	121%
Other Metrics	30 June 2022	(Restated)* 30 June 2021	Movement
Work in Hand	\$2,800m~	\$3,100m	(13%)
Net Debt (Cash) position	\$194.1m	\$180.2m	(8%)
Operating Cash Flow	\$132.5m	\$118.8m	12%
Earnings per share – basic	12.5 cents	4.7 cents	166%
Dividends per share (fully franked)	2.5 cents	5.0 cents	

* The comparative figures have been restated for the change in fair value of Mining West Business according to the AASB 3 Business Combinations.

~ Work in hand as at 31 July 2022.

Directors' Report (continued)

FINANCIAL REVIEW (CONTINUED)

Balance sheet and gearing

The net gearing of MACA increased during FY22 although the position improved in the second half of the financial year following the completion of deferred consideration payments in relation to the acquisition of the Downer West business in February 2022. Net debt as at 30 June 2022 was \$194.1m (2021: \$180.2 million) and cash on hand of \$91.6m. Net debt is expected to decrease over the coming year due to reduced capex requirements.

Operating cash flow and capital expenditure

Operating cash flow for the period ending 30 June 2022 was \$132.5 million (up from \$118.8 million during the prior comparative period). While MACA's operating cash flows in FY22 (EBITDA to cash flow conversion ratio of 70%) reflect a steadier state of operations in the mining division, cash flows have been impacted by MACA's investment in net working capital during the year, particularly a build-up of inventory levels in order to manage supply chain pressures as a result of global events. Repayments of deferred consideration in relation to the Mining West business of \$38.5m were made during the year.

Capital expenditure for the FY22 was \$102.3 million relating to plant and equipment primarily to support the ramp-up of operations on a number of existing projects. Plant and Equipment valued at \$19 million was disposed of during the period, which mainly consisted of the Area C crushing plant. Capital equipment purchases were funded by a combination of cash and equipment finance contracts.

Dividend

In light of the proposed takeover offer the Board of Directors has deferred any decision around declaration of final dividend for the 2022 financial year. The full year dividend payable to shareholders is therefore an interim dividend of 2.5 cents per share, representing 23% of net profit after tax. The total dividend paid during the year was \$17.9 million (2021: \$15.2 million).

Takeover Offer

On 26 July 2022 MACA entered into, and announced to ASX, a Bid Implementation Deed ("BID") with Thiess Group Investments Pty Ltd ("Thiess"), under which Thiess has agreed to make an offer to MACA shareholders to acquire all of the issued shares in MACA by way of a conditional off-market takeover bid. Thiess announced on 11 August 2022 the completion of the dispatch of Thiess' Bidder's Statement in relation to its conditional off-market takeover bid for MACA ("Offer"). The Directors of MACA recommend that MACA shareholders accept the Offer, in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Offer is fair and reasonable (or not fair but reasonable) to the MACA shareholders.

On 19 August 2022, MACA announced its assessment of the non-binding, conditional and indicative proposal received from NRW Holdings Limited ("NRW"), for the acquisition of all MACA shares by way of a scheme of arrangement. After careful consideration of the NRW Indicative Proposal as a whole, and of each of its components, and after taking professional advice and liaising confidentially with NRW, the MACA Board unanimously concluded that the NRW Indicative Proposal is not superior to the existing conditional off-market takeover offer from Thiess to acquire all MACA shares. MACA informed NRW that if NRW could remove or reduce the risks that the NRW Indicative Proposal asked MACA shareholders to assume and increase the total consideration offered, then MACA considered that there was a basis for further discussion, and would have welcomed such discussion (refer to the market announcement on 19 August 2022 for further details).

MACA is currently in the process of preparing its Target's Statement in relation to the Offer. The Target's Statement, which will include the Independent Expert's Report and its conclusion, is expected to be made available to MACA shareholders by late August 2022. By waiting until the Target's Statement has been issued, this will allow MACA shareholders sufficient time to consider their alternatives and make a decision before the Offer is scheduled to close at 7pm (Sydney time) on 12th September 2022, unless the Offer is extended or withdrawn by Thiess in accordance with the Corporations Act.

Outlook

A significant pipeline of opportunities for the Mining division allows MACA to take a disciplined approach to project selection based on labour availability, capital requirements and profitability, with a continued focus on existing clients. The labour market in the WA resources sector is expected to improve from the 2022 financial year and the Mining Division has entered the 2023 financial year with a strong work in hand position and a high proportion of revenue secured for FY23.

Directors' Report (continued)**FINANCIAL REVIEW (CONTINUED)**Outlook (continued)

The Civil and Infrastructure businesses in Western Australia enter FY23 with record work in hand. We expect opportunities to continue to present themselves over the remainder of FY23 whilst cognisant of resource constraints in the delivery of works. The recent award of two MainRoads WA bridge projects on the Bussell Highway (valued at \$13m) reflects these opportunities. MACA's Victorian business has enjoyed a turnaround in FY22 and enters FY23 with a record order book with mostly lower risk Alliance-style civil contracts, and we are pursuing a material long-tenured opportunity for the division. The MACA Interquip business enters FY23 with a focus on restructuring the business and delivering on lower risk projects in the short term. Following the recent completion of the King of the Hill project, MACA will be looking to leverage its EPC ability at the appropriate time to deliver future projects.

Organisational changes, including the appointment of a new CEO in Mr David Greig, have added capability and streamlined reporting processes for the MACA business. These changes are expected to provide an increased focus on business opportunities together with optimising operational delivery.

The strong improvements to metallurgical coal prices in the 2022 financial year have enabled significant progress in the recovery of monies owed to MACA by Carabella, with the sales process for the Bluff assets completed in the second half of the 2022 financial year, and a process underway for the divestment of the Grosvenor West asset, which is expected to occur in the 2023 financial year. Proceeds from divesting listed shares, the sale of / or receipt of the Bluff mining royalty plus a possible divestment of the Grosvenor West asset are all potential positive impacts on MACA's cash flows in FY23.

MACA's work in hand has increased substantially over the previous three years, from \$1.3bn at August 2019 to \$2.8bn at July 2022. Our pipeline of organic growth opportunities across the Mining, Civil & Infrastructure and Interquip divisions remains robust, and notwithstanding the outcome of the takeover offer, are expected to deliver opportunities to MACA, some of which are anticipated to commence in FY23.

Corporate Governance

MACA remains committed to a governance culture that aims to protect shareholder rights, effectively manage risk, enhance disclosure and transparency (both within the company and to external stakeholders) and facilitate the effective functioning of the board.

We believe that by operating with a strong focus on corporate governance, we will enhance MACA's sustainable long-term performance and value creation for all stakeholders. The Board of Directors is responsible for MACA's corporate governance framework, which ensures that the Company's obligations and responsibilities to its various stakeholders are fulfilled.

The Company's 2022 Corporate Governance Statement, to be released to shareholders towards the end of September 2022, will report on MACA's governance practices. MACA has in place charters, policies, and procedures (published on our website) which are reviewed and revised as appropriate to reflect changes in law and developments in corporate governance.

MACA also provides a risk management framework in accordance with ISO31000: Risk Management Principles and Guidelines, which allows the Group to identify potential change and manage the associated risks and opportunities, to meet or exceed the organisational strategic and operational objectives.

Additionally, in FY22, MACA delivered its second Modern Slavery Statement.

The Board's Risk Committee is responsible for monitoring the effectiveness of the Group's risk management framework.

CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX Corporate Governance Council sets out best practice corporate governance recommendations, including practices and suggested disclosures. Listing Rule 4.10.3 requires disclosure for companies on the extent to which they comply with these recommendations, and if not, to give reasons for not following them.

Unless otherwise indicated, the best practice recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, have been adopted by MACA for the year ended 30 June 2022.

MACA expects to lodge its annual Corporate Governance Statement and Appendix 4G with its full Annual Report to shareholders at the end of September 2022.

RISKS

MACA's risk management framework is embedded within existing processes and is aligned with the Group's strategic business objectives. Given the markets and the geographies in which the Group operates, a wide range of risk factors have the potential to affect the achievement of these objectives. For further information in relation to the Group's risk management framework, refer to the Corporate Governance Statement. Set out below is an overview of the more significant business risks facing MACA and the approach taken to managing those risks. The factors identified below are not necessarily listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with the MACA business.

HEALTH, SAFETY, SUSTAINABILITY AND ENVIRONMENTAL RISK

The industry sectors in which we operate involve a high degree of operational risk. MACA believes it takes all reasonable precautions to manage safety and environmental risks to ensure the continued sustainability of the business. However, there can be no assurance that the Group will avoid significant costs, liability and penalties or criminal prosecution. This risk is mitigated by progressively improving on already high safety performance standards across the business and by maintaining independently reviewed health and safety, environmental and quality certifications.

PROJECT DELIVERY RISK

The execution and delivery of projects involve judgment regarding the planning, development and operation of complex operating facilities and equipment. Some parts of MACA's business are involved in large-scale projects that may occur over extended periods. As a result, the Group's operations, cash flows and liquidity could be affected if MACA miscalculates the resources or time needed to complete a project, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. MACA maintains a strict project monitoring regime, proactive management and decision-making to mitigate project delivery risks.

Corporate Governance (continued)

ORDER BOOK RISK

Generally, in the mining industry, most contracts can be terminated for convenience by the client at short notice and without penalty, with the client paying for all work completed to date, unused material and in most cases demobilisation from the site and redundancies. As a result, there can be no assurance that work in hand will be realised as revenue in any future period. MACA seeks to manage this risk by being selective in the contracts that it enters into and always seeks to extend contracts where possible in an effort to maximise its return on capital.

DEMAND RISK

MACA is a contractor operating predominantly in the mining resources and civil sectors. As a result, failure to obtain contracts, delays in awards of contracts, cancellations or terminations of contracts, delays in completion, changes in economic conditions and the volatile and cyclical nature of commodity prices mean that the demand for MACA's goods and services can vary markedly over relatively short periods. Accordingly, changes in market conditions could impact MACA's financial performance. The Group seeks to manage demand risk as best it can by maintaining a diversified client base and commodity mix and having a proportion of equipment and labour on hire.

BUSINESS ACQUISITIONS

When MACA acquires a business there is a risk of not being able to realise or sustain the expected benefits of the acquisition. The goodwill represents the amounts paid for the business, less the fair value of the net assets acquired. MACA, at least annually, reviews the carrying value of goodwill and may incur impairment charges related to goodwill if the businesses or markets they serve deteriorate. In addition, businesses that MACA acquires may have liabilities that MACA was unaware of in the course of performing due diligence investigations. Any such liabilities may have a material adverse impact on MACA's business and financial position. As part of the due diligence process, MACA thoroughly reviews all contracts to mitigate the risk of acquiring onerous contracts and changes in control provisions, and historic liabilities and integration risks.

COMPETITION RISK

The market in which MACA operates is highly competitive, which may result in downward pressure on prices and margins. If MACA is unable to compete effectively in its markets, it runs the risk of losing market share. MACA continues to focus on delivering quality services to make us a contractor of choice as a means of mitigating this risk.

COUNTERPARTY RISK

MACA derives its revenue from a number of customers. In the event that any of these customers fails to pay, reduces production or scales back operations, terminates the relationship, defaults on a contract or fails to renew their contract with MACA, this may have an adverse impact on the financial performance and/or financial position of MACA. MACA seeks to manage this risk by regularly monitoring material counterparties and its exposures and seeks additional security when appropriate.

CONTRACT PRICING RISK

MACA has a mixed exposure to contract types. However, if the Group materially underestimates the cost of providing services, equipment, or plant, there is a risk of a negative impact on MACA's financial performance. MACA follows a proven tender review process to reduce the risk of under-pricing contracts.

COUNTRY RISK

While the large majority of MACA's operations are in Australia, MACA has one project in Cambodia. The sovereign risk Cambodia is higher than in Australia and operating in international jurisdictions could expose MACA to additional adverse economic conditions, conflicts, terrorism, security breaches, bribery and corrupt practices.

CYBER SECURITY

The potential for malicious cyber security attacks resulting in the misuse and release of sensitive information poses an ongoing and real risk to companies that operate in the 21st century. MACA continues to progress its ICT Strategy, of which one initiative includes the continual review of our cyber security and ICT maturity. Gaps and vulnerabilities are addressed on an ongoing basis.

Corporate Governance (continued)

LIQUIDITY RISK

The risk of MACA not being able to meet its financial obligations as they fall due is managed by maintaining adequate cash reserves and available borrowing facilities, as required. Errors or unforeseen changes in actual and forecast cash flows that then create a mismatch against the maturity profiles of financial assets and liabilities could have a detrimental effect on the Group's liquidity. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

PARTNER RISK

MACA, in some cases, may undertake services through and participate in, joint ventures or partnering/alliance arrangements. The success of these partnering activities depends on the satisfactory performance by MACA's partners. The failure of partners to meet performance obligations could impose additional financial and performance obligations that could cause a significant impact on MACA's reputation and financial results. MACA completes due diligence on potential partners prior to forming any business relationship and regularly monitors these relationships.

LABOUR COSTS AND AVAILABILITY

Labour represents a significant portion of operating expenses. In order to compete for work and service clients, the Group needs to be able to continue to attract and retain skilled employees. Consequently, the Group is exposed to increased labour costs in markets where the demand for labour is strong. Within more stable labour markets, the group's labour costs are typically protected by rise and fall mechanisms within client contracts, which help neutralise the impact of rising labour costs.

CURRENCY FLUCTUATION

As a Group with international operations, MACA is exposed to fluctuations in the value of the Australian dollar versus other currencies. As MACA's consolidated financial results are reported in Australian dollars, if MACA generates sales or earnings or has assets and liabilities in other currencies, the translation into Australian dollars for financial reporting purposes can result in a significant increase or decrease in the amount of those sales or earnings and net assets. MACA uses cash-backed deposits to mitigate some of the US dollar currency risk. Currently the company has unhedged exposure to United States Dollars (from MACA's Cambodian Mining Contract).

GUIDANCE

MACA may provide forecasts and predictions about its future performance ("Guidance") on the basis of assumptions, which may subsequently prove to be incorrect. Guidance is not a guarantee of future performance and is subject to risks, many of which are beyond the control of MACA.

CLIMATE CHANGE

MACA recognises the impacts of climate change, which can include an increased incidence of extreme weather events and changes to legal, regulatory, policy, financing and investor landscape. MACA remains committed to understanding the impact of climate change on our business and people and continues to seek opportunities to improve our performance in this area.

Other material risks that could affect MACA include:

- Public liability risk incurred maintaining road assets requiring identified defects to be closed out within a specified timeframe;
- A major operational failure or disruption at key facilities or to communication systems which interrupt MACA's business;
- Changing government regulations including tax, occupational health and safety, and changes in policy and spending;
- Loss of reputation through poor project outcomes, unsafe work practices, unethical business practices, and not meeting the market's expectation of its financial performance;
- The impact of rising interest rates on future cash flows and discount rates used in valuing assets and liabilities;
- Increases in oil prices and inflationary pressures;
- Equipment and consumable availability;
- Commitments and policies on climate and carbon emissions by governments;
- Technological changes and innovation;
- Legislative and regulatory changes; and
- Loss of key Board, management or operational personnel.

Remuneration Report

Section	Title	Description
Section 1	Introduction	Outlines the scope of the Remuneration Report and the individuals disclosed
Section 2	Remuneration Governance	Describes the role of the board, the Remuneration Committee and matters considered (including external advice) when making remuneration decisions.
Section 3	2022 Executive Remuneration framework and improvements	Outlines the 2022 remuneration framework and changes to remuneration plans.
Section 4	Company performance and the link to remuneration	The outcomes of the key business metrics and hurdles that are used for measuring variable pay outcomes.
Section 5	Executive remuneration outcomes	Provides Chief Executive officer remuneration, Short Term Incentive (STI) and Long Term Incentive (LTI) Plan details and Executive remuneration outcomes for the year.
Section 6	Executive contracts	Appointments and notice periods for current and former Key Management Personnel.
Section 7	Non-executive Director Fees	Provides detail regarding the fees paid to Non-Executive Directors

INTRODUCTION

This remuneration Report forms part of the Directors' Report for 2022 and outlines the remuneration strategy and arrangements for the Company's Directors and Executives (together "Key Management Personnel" or "KMP") in accordance with section 300A of the Corporations Act.

KEY MANAGEMENT PERSONNEL

The KMP of the Group during and since the end of the financial year comprise the company directors (as detailed in the beginning of the Directors' Report) and the following three executives, defined as CEO, CFO and Executive General Manager - Mining. Except as noted, these persons held their current position for the whole of the financial year and since the end of the financial year.

Directors – Non Executive		
Geoffrey Baker	Non-Executive Chairman	Full Year (commenced as Chairman on 20 November 2020)
Robert Ryan	Non-Executive Director	Full Year
Nicholas Marinelli	Non-Executive Director	Full Year
David Flanagan	Non-Executive Director	Part year (Commenced 30 September 2021)
Rachel Rees	Non-Executive Director	Part year (Commenced 8 November 2021)
Former Directors		
Sandra Dodds	Non-Executive Director	Part Year (Retired 30 September 2021)
Linton Kirk	Non-Executive Director	Part Year (Retired 19 November 2021)
Directors – Executive		
Michael Sutton	Chief Executive Officer / Managing Director	Full Year (Retired 22 July 2022)
Executives		
David Greig	Chief Development Officer	Full year
Peter Gilford	Chief Financial Officer / Company Secretary	Full year
Michael Hunt	Executive GM Mining	Part year

Remuneration Report (continued)

REMUNERATION GOVERNANCE

The Board oversees the remuneration arrangements of the KMP.

In performing this function, the Remuneration Committee reviews the remuneration packages of all Directors, the Chief Executive Officer and other Executives (collectively the KMP). The Committee makes recommendations to the Board on an annual basis with benchmarking against comparable industry packages and adjusting to recognise the specific performance of both the company and the individual.

The Remuneration Committee may also engage an external remuneration consultant to review the levels of senior executive and non-executive remuneration. The Remuneration Committee engaged independent third party consultants in the year, in relation to Non-Executive Director fee benchmarking and incentive design.

2022 EXECUTIVE REMUNERATION FRAMEWORK

Remuneration practices are continuously developed in line with the Company's business demands, industry conditions and overall market trends. The primary goal is to link executive remuneration with the achievement of MACA's business and strategic objectives with the aim to increase shareholder value over the short and longer term. The nature and amount of compensation for executive KMP are designed to retain and stimulate individuals on a market competitive basis.

TOTAL FIXED REMUNERATION	SHORT TERM INCENTIVE	LONG TERM INCENTIVE
<ul style="list-style-type: none"> TFR takes into account similar positions in peer companies, length of service, experience and contribution Peer companies are those with broadly similar revenue and in related industries TFR is reviewed annually 	<p>Financial metrics comprise some or all of:</p> <ul style="list-style-type: none"> Net profit after tax – company and divisional Earnings per share <p>Non-financial metrics comprise some or all of:</p> <ul style="list-style-type: none"> Safety indicators – LTI and TRIFR Personal performance Maximum STI is 15 – 60% of TFR depending on the individual 	<ul style="list-style-type: none"> Relative TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) measured over a 3 year period (100% component) Number of performance rights issued up to 50% of fixed annual remuneration divided by the independently assessed value of a performance right

COMPANY PERFORMANCE AND THE LINK TO REMUNERATION

Key Performance Indicators ('KPIs') for both short-term and long-term Executive incentive schemes are linked to the Company's strategic and business objectives and as a result, pay outcomes are directly aligned with Company performance against these objectives. The following Company performance measures are among those that may be included in incentive plans for relevant executives. KPIs may be adjusted for individually large or unusual items to derive an underlying performance measure outcome. The Board believes these KPIs are aligned to Shareholder wealth and returns to investors.

Remuneration Report (continued)

COMPANY PERFORMANCE TABLE

	2022	2021	2020	2019	2018
Reported net profit/(loss) attributable to equity holders of the parent (\$m)	42.8	14.4	(17.9)	20.6	23.6
Reported return on equity (%)	8.9	4.2	(5.8)	6.9	7.4
Reported basic earnings per share (cents)	12.5	4.7	(6.7)	7.7	9.1
Lost time injury frequency rate (LTIFR)	0.2	0.2	0.2	0.5	-
Total recordable injury frequency rate (TRIFR)	3.3	3.9	6.6	6.4	6.8
Shareholders' Wealth					
Interim dividend declared (cents)	2.5	2.5	2.5	2.0	3.0
Final dividend declared (cents)	0.0	2.5	2.5	2.5	3.5
Special dividend declared (cents)	-	-	-	-	-
Share price at 30 June (cents)	66	76	86.5	90	120
Total shareholder return (TSR %) ¹	(9.9)	(6.4)	1.7	(21.3)	(23.3)
3-year Annual Compound TSR ¹	(9.0)	(9.1)	(14.1)	(5.2)	23.2

¹ All dividends in the TSR (Total Shareholder Return) calculation are on a declared (rather than paid) basis in respect to each financial year.

EXECUTIVE REMUNERATION OUTCOMES

Managing Director and CEO Arrangements

Mr Sutton's remuneration package as CEO was determined by benchmarking it against that paid to CEOs in similar organisations. The remuneration package comprises the following components:

- Total Fixed Remuneration (TFR) is \$712,985 per annum inclusive of superannuation.
- An STI which includes the opportunity to earn an annual cash bonus of up to 60% of total fixed remuneration, subject to achieving performance hurdles. Mr Suttons' STI plan has been aligned with other senior executives under similar plan rules with KPIs that align to profitable performance and safety. The CEO's STI Plan comprises 40% for key financial KPI's, 30% for safety KPI's and 30% for personal KPI's. The financial KPIs comprise Net Profit after Tax and Earnings per Share growth. The safety KPIs are based on the Lost Time Injury Frequency Rate (LTIFR) and the Total Recordable Injury Frequency Rate (TRIFR).

There was no STI payable for Mr Sutton for 2022.

- An LTI under which Mr Sutton may receive share performance rights convertible into fully paid shares, subject to performance criteria being met.

Total Fixed Remuneration (TFR)

All Executives received TFR as outlined in page 23 of this report. TFR comprises base salary and superannuation plus a motor vehicle allowance.

Fixed pay has been reviewed and set against peer companies with whom MACA competes. MACA also benchmarks through industry surveys and reports and may seek external advice for KMP remuneration.

Remuneration Report (continued)

Short-Term Incentive Plan (STI Plan)

Key features of the STI plan are outlined below:

Objective: KPIs are set to encourage a profit and safety-driven culture with the ultimate aim of driving Stakeholder returns. The STI payments are structured to recognize and motivate employees to align their performance with the Company's goals. The amount of bonus actually earned will depend on performance against predetermined KPIs with payment commencing upon reaching those hurdles.

Eligibility	All Executive key management personnel																
At risk payments	<p>2022: The STI is a component of 'at risk' pay provided to Executives and KMP.</p> <table data-bbox="331 611 1077 716"> <tr> <td></td><td>% of TFR paid on target achievement</td></tr> <tr> <td>CEO</td><td>60%</td></tr> <tr> <td>CDO & CFO</td><td>25%</td></tr> <tr> <td>Other Executive KMP</td><td>15%</td></tr> </table> <p>2021: The STI is a component of 'at risk' pay provided to Executives and KMP.</p> <table data-bbox="331 784 1077 889"> <tr> <td></td><td>% of TFR paid on target achievement</td></tr> <tr> <td>CEO</td><td>60%</td></tr> <tr> <td>COO & CFO</td><td>25%</td></tr> <tr> <td>Other Executive KMP</td><td>15%</td></tr> </table>		% of TFR paid on target achievement	CEO	60%	CDO & CFO	25%	Other Executive KMP	15%		% of TFR paid on target achievement	CEO	60%	COO & CFO	25%	Other Executive KMP	15%
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COO & CFO	25%																
Other Executive KMP	15%																
Performance conditions	<p>Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive.</p> <p>Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders. In order to be eligible to receive an STI there is a minimum financial requirement or gate which must be met before other KPI's are considered.</p> <p>KPIs for the CEO include Earning per Share (EPS), Net Profit after Tax (NPAT), Lost Time Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p> <p>KPIs for other KMP include Net Profit after Tax (NPAT), business operating unit profit performance, Lost Time Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p>																
Setting of KPIs	Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive.																
Assessment of KPIs	Performance is measured quantitatively and progress against key targets measured at half year and full year.																
Trigger for payment	Any performance target met will trigger the calculation of total or partial payment of the STI's. The board may exercise its discretion in relation to the payment of STI's.																
Cessation of employment	STI is forfeited if an Executive or KMP resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.																

STI Outcomes

No STI was paid to any member of the senior executive team.

Remuneration Report (continued)

Long-Term Incentive Plan (LTI Plan)

Key features of the LTI Plan are outlined below:

Overview: The Plan offers Executive KMP performance rights with the opportunity to receive fully paid ordinary shares in MACA Limited for no consideration, subject to specified time restrictions, continued employment and performance conditions being met. Each performance right will entitle participants to receive one fully paid ordinary share at the time of vesting.

Objective: The Plan is designed to assist with Executive and KMP retention and to incentivise employees to maximise returns and earnings for Shareholders.

Eligibility	Executive KMP as determined by the Board																
At risk payments	<p>The LTI is a component of 'at risk' pay offered to Executive KMP. The number of performance rights issued will depend on performance against predetermined KPIs with vesting occurring upon reaching those hurdles. The number of performance rights that vest is linked to relative Total Shareholder Return (TSR).</p> <p>2022:</p> <table> <tr> <td></td><td>% of TFR applied in LTI</td></tr> <tr> <td>CEO</td><td>50%</td></tr> <tr> <td>CDO & CFO</td><td>35%</td></tr> <tr> <td>Other Executive KMP</td><td>25%</td></tr> </table> <p>2021:</p> <table> <tr> <td></td><td>% of TFR applied in LTI</td></tr> <tr> <td>CEO</td><td>50%</td></tr> <tr> <td>COO & CFO</td><td>35%</td></tr> <tr> <td>Other Executive KMP</td><td>20%</td></tr> </table>		% of TFR applied in LTI	CEO	50%	CDO & CFO	35%	Other Executive KMP	25%		% of TFR applied in LTI	CEO	50%	COO & CFO	35%	Other Executive KMP	20%
	% of TFR applied in LTI																
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Other Executive KMP	25%																
	% of TFR applied in LTI																
CEO	50%																
COO & CFO	35%																
Other Executive KMP	20%																
Performance conditions	<p>KPIs are set for the Group (where relevant). Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders.</p> <p>KPIs for the CEO, Executive Directors and other Executive KMP comprise 100% against a Total</p> <p>Shareholder Return (TSR) using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) measured over a 3-year period.</p>																
TSR Comparator Group	Assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI).																
Assessment of KPIs	Performance is measured quantitatively and progress against key targets reported at full year.																
Trigger for vesting	Assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI). The Board has the discretion to not approve the vesting of the rights if the TSR is negative.																
Cessation of employment	LTI may be forfeited if an Executive resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.																

LTI Outcomes

None of the applicable hurdles were met for the period 1 July 2019 to 30 June 2022 (3-year period) for rights to vest in the LTI performance conditions above for Executives and KMP. Accordingly, no performance rights vested during FY22.

Remuneration Report (continued)

Unvested Entitlements

It is the Company's policy to prohibit executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

KMP Options

No options were granted during the period and no options were vested or were exercised during the period. At 30 June 2022 no options were held by KMP.

KMP Performance Rights

During the 2022 financial year 1,591,349 (2021: 2,843,084) performance rights were granted under the Group's Performance Rights Plan and 1,161,085 (2021: 1,529,493) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2024. As at 30 June 2022 there were 4,434,433 (2021: 4,004,169) performance rights outstanding.

Remuneration Report (continued)

KMP Performance Rights (Continued)

The number of rights over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2022	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable	Vested and un-exercisable	Unvested at end of year
Geoffrey Baker Non-Executive Chairman	-	-	-	-	-	-	-	-
Robert Ryan Non-Executive Director	-	-	-	-	-	-	-	-
Nicholas Marinelli Non-Executive Director	-	-	-	-	-	-	-	-
Rachel Rees Non-Executive Director	-	-	-	-	-	-	-	-
David Flanagan Non-Executive Director	-	-	-	-	-	-	-	-
Michael Sutton Managing Director / Chief Executive Officer	785,000	821,512	-	-	1,606,512	-	-	1,606,512
David Greig Chief Operating Officer	678,628	422,442	-	(125,015)	976,055	-	153,057	822,998
Peter Gilford Chief Financial Officer / Company Secretary	598,367	347,395	-	(115,819)	829,943	-	153,704	676,239
Linton Kirk Non-Executive Director	-	-	-	-	-	-	-	-
Sandra Dodds Non-Executive Director	-	-	-	-	-	-	-	-
Total	2,061,995	1,591,349	-	(240,834)	3,412,510	-	306,761	3,105,749

Remuneration Report (continued)

KMP Shareholdings

The number of ordinary shares in MACA Limited held by each KMP of the Group during the financial year is as follows:

30 June 2022	Balance at beginning of year	Granted as remuneration during the year	Increase other	Issued on exercise of rights during the year	Other changes during the year	Balance at end of year
Geoffrey Baker Non-Executive Chairman	13,613,816	-	-	-	-	13,613,816
Robert Ryan Non-Executive Director	73,256	-	-	-	-	73,256
Nicholas Marinelli Non-Executive Director	-	-	-	-	-	-
Rachel Rees Non-Executive Director	-	-	-	-	-	-
David Flanagan Non-Executive Director	-	-	-	-	-	-
Michael Sutton Managing Director / Chief Executive Officer	70,408	-	80,000	-	-	150,408
David Greig Chief Operating Officer	-	-	-	-	-	-
Peter Gilford Chief Financial Officer	278,973	-	-	-	-	278,973
Linton Kirk Non-Executive Director	143,750	-	-	-	(143,750)	-
Sandra Dodds Non-Executive Director	-	-	-	-	-	-
Total	14,180,203	-	80,000	-	(143,750)	14,116,453

Remuneration Report (continued)

KMP Remuneration

Employment benefits and payments for the year ended 30 June 2022

The following table sets out the benefits and payment details, in respect to the financial year, and the components of remuneration for members of office holders and five highest paid key management personnel of the consolidated group.

	Year	Short-term benefits		Post-employment benefits	Long-term benefits		Equity-settled share-based payments		Total
		Salary, fees and leave	Other	Superannuation	Incentive plans	LSL	Share / Units	Options / Rights	
		\$	\$	\$	\$	\$	\$	\$	\$
Executive Directors									
Michael Sutton ¹	2022	687,985	-	25,000	-	-	-	235,500	948,485
Managing Director / Chief Executive Officer	2021	681,500	-	25,000	-	-	-	117,750	824,250
	2022	687,985	-	25,000	-	-	-	235,500	948,485
Total compensation for Executive Directors	2021	681,500	-	25,000	-	-	-	117,750	824,250
Non-Executive Directors									
Geoffrey Baker	2022	170,500	-	-	-	-	-	-	170,500
Non-Executive Chairman	2021	443,522	-	-	-	-	-	-	443,522
Robert Ryan	2022	102,900	-	-	-	-	-	-	102,900
Non-Executive Director	2021	94,554	-	-	-	-	-	-	94,554
Nicholas Marinelli	2022	90,119	-	9,012	-	-	-	-	99,131
Non-Executive Director	2021	11,355	-	1,079	-	-	-	-	12,434
Rachel Rees ²	2022	66,600	-	-	-	-	-	-	66,600
Non-Executive Director	2021	-	-	-	-	-	-	-	-
David Flanagan ³	2022	60,612	-	6,061	-	-	-	-	66,673
Non-Executive Director	2021	-	-	-	-	-	-	-	-
Linton Kirk ⁴	2022	35,817	-	3,582	-	-	-	-	39,399
Non-Executive Director	2021	84,658	-	8,043	-	-	-	-	92,701
Sandra Dodds ⁵	2022	24,007	-	2,401	-	-	-	-	26,408
Non-Executive Director	2021	60,343	-	5,733	-	-	-	-	66,076
	2022	550,555	-	21,056	-	-	-	-	571,611
Total compensation for Non-Executive Directors	2021	694,432	-	14,855	-	-	-	-	709,287
Executives (KMP)									
David Greig	2022	525,346	-	25,000	-	-	-	148,184	698,530
Chief Operating Officer / Chief Development Officer	2021	516,692	-	25,000	-	-	-	115,137	656,829
Peter Gilford	2022	445,339	-	25,000	-	-	-	126,787	597,126
Chief Financial Officer / Company Secretary	2021	406,885	18,136	25,000	-	-	-	102,474	552,495
Michael Hunt	2022	171,154	-	9,615	-	-	-	-	180,769
Executive GM Mining	2021	-	-	-	-	-	-	-	-
	2022	1,141,839	-	59,615	-	-	-	274,971	1,476,425
Total compensation for Executives	2021	923,577	18,136	50,000	-	-	-	217,611	1,209,324
Former (KMP)									
Andrew Edwards ⁶	2022	-	-	-	-	-	-	-	-
Chairman	2021	76,221	-	7,241	-	-	-	-	83,462
Christopher Sutherland ⁷	2022	-	-	-	-	-	-	-	-
Non-Executive Director	2021	19,085	-	1,813	-	-	-	-	20,898
	2022	-	-	-	-	-	-	-	-
Total compensation for Former KMP	2021	95,306	-	9,054	-	-	-	-	104,360
	2022	2,380,379	-	105,671	-	-	-	510,471	2,996,521
Total compensation for KMP	2021	2,394,815	18,136	98,909	-	-	-	335,361	2,847,221

¹ Michael Sutton resigned as a Director and CEO effective 22 July 2022

² Rachel Rees was appointed as a Non- Executive Director effective 8 November 2021

³ David Flanagan was appointed as a Non-Executive Director effective 30 September 2021

⁴ Linton Kirk resigned as a Non-Executive Director effective 19 November 2021

⁵ Sandra Dodds resigned as a Non-Executive Director effective 30 September 2021

⁶ Andrew Edwards resigned as Non-Executive Director effective 7 December 2020

⁷ Chris Sutherland resigned as a Non-Executive Director effective 10 September 2020

Remuneration Report (continued)

Employment details of members of key management personnel and other executives

The following table provides details of persons who were, during the financial year, members of key management personnel of the consolidated Group. The table also sets out the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options and performance rights.

	Year	Proportions related to performance			Proportions of elements of remuneration not related to performance	Total
		Non-salary cash-based incentives	Shares / Units	Options / Rights	Fixed Salary / Fees	
		%	%	%	%	%
Executive Directors						
Michael Sutton	2022	-	-	24.8	75.2	100
Managing Director / Chief Executive Officer	2021	-	-	14.3	85.7	100
Non-Executive Directors						
Geoffrey Baker	2022	-	-	-	100	100
Non-Executive Chairman	2021	-	-	-	100	100
Robert Ryan	2022	-	-	-	100	100
Non-Executive Director	2021	-	-	-	100	100
Nicholas Marinelli	2022	-	-	-	100	100
Non-Executive Director	2021	-	-	-	100	100
Rachel Rees	2022	-	-	-	100	100
Non-Executive Director	2021	-	-	-	-	-
David Flanagan	2022	-	-	-	100	100
Non-Executive Director	2021	-	-	-	-	-
Linton Kirk	2022	-	-	-	100	100
Non-Executive Director	2021	-	-	-	100	100
Sandra Dodds	2022	-	-	-	100	100
Non-Executive Director	2021	-	-	-	100	100
Executives (KMP)						
David Greig	2022	-	-	21.2	78.8	100
Chief Operating Officer / Chief Development Officer	2021	-	-	17.5	82.5	100
Peter Gilford	2022	-	-	21.2	78.8	100
Chief Financial Officer / Company Secretary	2021	-	-	18.5	81.5	100
Michael Hunt	2022	-	-	-	100.0	100
Executive GM Mining	2021	-	-	-	-	-
Former (KMP)						
Andrew Edwards	2022	-	-	-	-	-
Chairman	2021	-	-	-	100	100
Chris Sutherland	2022	-	-	-	-	-
Non-Executive Director	2021	-	-	-	100	100

Remuneration Report (continued)

Executive Contracts

Executive contracts of service between the Company or company within the Group and KMP are on a continuing basis, the terms of which are not expected to change in the immediate future. The notice period for termination varies from one to three months.

Executive	Appointment to KMP	Notice Period
Michael Sutton Managing Director / Chief Executive Officer	24th February 2020 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 6 months' notice or payment in lieu
David Greig Chief Development Officer	18th July 2016 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 6 months' notice or payment in lieu
Peter Gilford Chief Financial Officer / Company Secretary	23rd July 2014 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 3 months' notice or payment in lieu
Michael Hunt Executive General Manager – Mining	1 February 2022 The contract is ongoing and has no fixed term	The contract can be terminated by either party with 3 months' notice or payment in lieu

Non-Executive Directors Fees

Non-executive Directors' fees are determined within an aggregate directors fee pool which is periodically recommended for approval to shareholders. The current aggregate directors' fee pool is \$800,000. This provides for any future increases to Non-executive Directors' fees and to allow for any changes to the Board make up and potential increases in the number of Non-executive Directors.

Fees paid to Non-executive Directors are set at levels which reflect both the responsibilities of, and time commitments required from, each Non-executive Director to discharge their duties and are not linked to the financial performance of the Company. Non-executive Directors' fees are reviewed annually by the Board to ensure they are appropriate for the duties performed, including Board committee duties, and are in line with the market.

Other than statutory superannuation, non-executive Directors are not entitled to retirement benefits.

Non-Executive Director	\$ / Chair	Member
Geoffrey Baker	\$170,500 Board	Audit Committee Risk Committee Remuneration Committee
Robert Ryan	\$102,900 Remuneration	Audit Committee Risk Committee Remuneration Committee
Nicholas Marinelli	\$102,900 Risk	Audit Committee Risk Committee Remuneration Committee
David Flanagan	\$92,700	Audit Committee Risk Committee Remuneration Committee
Rachel Rees	\$102,900 Audit	Audit Committee Risk Committee Remuneration Committee

MACA Limited

Annual Financial Statements for the year ended 30 June 2022

Remuneration Report (continued)Other Transactions with Key Management Persons and/or Related Parties

Key Management Person and/or Related Party	Transaction	2022 \$	2021 \$
Partnership of which current director Mr G. Baker is a 25% partner.	Rent on Division St business premises	1,623,640	1,578,801
Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G. Baker's Family Trust is a 20% beneficial shareholder.	Hire of equipment and purchase of equipment, parts and services	4,823,700	5,851,769
Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G. Baker's Family Trust is a 20% beneficial shareholder.	Sale of equipment (Revenue)	150,000	-
Amounts payable at year end arising from above transactions	n/a		
Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G. Baker's Family Trust is a 20% beneficial shareholder.		202,287	919,751

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Geoffrey Baker

Non-Executive Chairman

22nd August 2022 Perth

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS
OF MACA LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



SL TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 22nd day of August 2022

Directors' Declaration

The directors of the company declare that:

1. The financial statements set out on pages 29 to 79 are in accordance with the Corporations Act 2001 and:

- a) comply with Accounting Standards which as stated in the accounting policies included in the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
- b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the company and consolidated group;

2. The Chief Executive Officer and Chief Finance Officer have each declared that:

- a) the financial records of the Group for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
- b) the financial statements and notes for the financial year comply with the International Financial Reporting Standards; and
- c) the financial statements and notes for the financial year give a true and fair view of the financial performance and results of the entity.

In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Geoffrey Baker

Non-Executive Chairman

Dated 22nd August 2022

MACA Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2022

		30 June	(Restated)*
		2022	2021
	Section	\$'000	\$'000
Continuing Operations			
Revenue	3.1(a)	1,650,522	1,173,920
Other Income	3.1(b)	35,580	36,679
Direct Costs	3.3	(1,589,838)	(1,130,110)
Finance Costs		(10,563)	(8,521)
Impairment of Assets	3.3	(1,035)	(3,221)
Foreign Exchange Gains / (Losses)		2,547	(2,445)
Stamp Duty for Acquisition of Mining West		-	(9,392)
Other Expenses from Ordinary Activities		(35,231)	(24,997)
Profit Before Income Tax		51,982	31,913
Income Tax Expense	3.6.1(a)	(14,405)	(11,246)
Profit After Tax from Continuing Operations		37,577	20,667
Discontinued Operations			
Profit / (Loss) After Tax from Discontinued Operations	3.7	(1,831)	(3,666)
Transfer of Foreign Exchange Reserve on Discontinued Operations		62	(806)
Profit / (Loss) for the Year		35,808	16,195
Other Comprehensive Income:			
Exchange Differences on Translating Foreign Operations	5.7(b)	1,299	-
Total Comprehensive Income for the Year		37,107	16,195
Profit / (Loss) Attributable to:			
- Non-Controlling Interest		(6,957)	1,784
- Members of the Parent Entity		42,765	14,411
		35,808	16,195
Total Comprehensive Income Attributable to:			
- Non-Controlling Interest		(6,957)	1,784
- Members of the Parent Entity		44,064	14,411
		37,107	16,195
Earnings per Share			
From Continuing and Discontinued Operations:			
- Basic Earnings per Share (cents)	3.8	12.51	4.72
- Diluted Earnings per Share (cents)	3.8	12.31	4.64
From Continuing Operations:			
- Basic Earnings per Share (cents)	3.8	13.03	6.18
- Diluted Earnings per Share (cents)	3.8	12.82	6.08
From Discontinued Operations:			
- Basic Earnings per Share (cents)	3.8	(0.52)	(1.46)
- Diluted Earnings per Share (cents)	3.8	(0.51)	(1.44)

* The comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

The accompanying Sections form part of these Financial Statements

MACA Limited

Consolidated Statement of Financial Position

As at 30 June 2022

		30 June 2022 \$'000	(Restated)* 30 June 2021 \$'000
	Section		
Current Assets			
Cash and Cash Equivalents	5.1.1	91,582	122,346
Trade and Other Receivables	4.1	278,607	279,789
Inventory	4.2	81,207	49,914
Other Financial Assets	4.1	6,939	30
Assets Held for Sale	4.3	31,694	-
Other Assets	4.4	1,327	8,418
Total Current Assets		491,356	460,497
Non-Current Assets			
Trade and Other Receivables	4.1	7,281	9,469
Property, Plant and Equipment^	4.5	439,935	478,779
Loans to Other Companies	4.1	-	26,841
Other Assets	4.4	852	1,175
Other Financial Assets	4.1	1,267	-
Intangible Assets	4.6	2,046	4,139
Deferred Tax Assets	3.6.2(a)	29,661	23,406
Total Non-Current Assets		481,042	543,809
Total Assets		972,398	1,004,306
Current Liabilities			
Trade and Other Payables	4.7	242,106	246,622
Deferred Consideration Payable	4.7	-	38,500
Interest Bearing Liabilities	5.2.1	104,311	97,331
Current Tax Liabilities	3.6.2(b)	6,151	10
Short-Term Provisions	4.8	34,953	32,431
Total Current Liabilities		387,521	414,894
Non-Current Liabilities			
Deferred Tax Liabilities	3.6.2(b)	1,250	1,099
Interest Bearing Liabilities	5.2.1	181,333	205,240
Total Non-Current Liabilities		182,583	206,339
Total Liabilities		570,104	621,233
Net Assets		402,294	383,073
Equity			
Issued Capital	5.6	342,267	342,267
Reserves	5.7	(3,999)	(5,298)
Retained Profits		66,466	40,787
Parent Interest		404,734	377,756
Non-Controlling Interest		(2,440)	5,317
Total Equity		402,294	383,073

* The comparative Consolidated Statement of Financial Position as at 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

^Includes Right-Of-Use Assets

The accompanying Sections form part of these Financial Statements

MACA Limited

Consolidated Statement of Changes of Equity

For the Year Ended 30 June 2022

	Issued Capital	Retained Profits	Outside Equity Interest	General Reserves	Option Reserve	FX Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	269,806	41,619	3,533	(5,888)	590	-	309,660
Restated Profit / (Loss) for the Period*	-	14,411	1,784	-	-	-	16,195
SUB-TOTAL	269,806	56,030	5,317	(5,888)	590	-	325,855
Other Comprehensive Income:							
Forex in Translating Foreign Operations	-	-	-	-	-	-	-
SUB-TOTAL	269,806	56,030	5,317	(5,888)	590	-	325,855
Shares Issued (net of costs)	72,461	-	-	-	-	-	72,461
Dividends Paid	-	(15,243)	-	-	-	-	(15,243)
Balance at 30 June 2021	342,267	40,787	5,317	(5,888)	590	-	383,073
Balance at 1 July 2021	342,267	40,787	5,317	(5,888)	590	-	383,073
Profit / (Loss) for the Period	-	42,765	(6,957)	-	-	-	35,808
SUB-TOTAL	342,267	83,552	(1,640)	(5,888)	590	-	418,881
Other Comprehensive Income:							
Forex in Translating Foreign Operations	-	-	-	-	-	1,299	1,299
SUB-TOTAL	342,267	83,552	(1,640)	(5,888)	590	1,299	420,180
Dividends Paid	-	(17,086)	(800)	-	-	-	(17,886)
Balance at 30 June 2022	342,267	66,466	(2,440)	(5,888)	590	1,299	402,294

* The comparative Profit or Loss for the year ended 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

The accompanying Sections form part of these Financial Statements

MACA Limited

Consolidated Statement of Cash Flows

For The Period Ended 30 June 2022

		30 June 2022 \$'000	30 June 2021 \$'000
	Section		
Cash Flows From Operating Activities			
Receipts from Customers		1,656,160	1,040,442
Payments to Suppliers and Employees		(1,498,923)	(901,306)
Interest Received		164	289
Interest Paid		(10,563)	(8,521)
Income Tax Paid		(14,368)	(12,154)
Net Cash Provided By / (Used In) Operating Activities	5.1.2	132,470	118,750
Cash Flow From Investing Activities			
Proceeds from Sale of Property, Plant and Equipment		20,409	2,838
Purchase of Property, Plant and Equipment*		(78,705)	(91,980)
Net Loans Repaid by / (Provided to) Customers		-	(100)
Purchase of Investments		(7,079)	-
Acquisition of Mining West		(38,500)	(136,500)
Net Cash Provided By / (Used In) Investing Activities		(103,875)	(225,742)
Cash Flow From Financing Activities			
Net Proceeds from Share Issue		-	72,461
Proceeds from Borrowings*		61,513	144,939
Repayment of Borrowings	5.2.2	(104,141)	(85,212)
Dividends Paid by the Parent		(17,886)	(15,243)
Net Cash Provided by / (Used In) Financing Activities		(60,514)	116,945
Net Increase/(Decrease) in Cash Held		(31,919)	9,953
Effect of Forex Rate Changes		1,155	(2,257)
Cash and Cash Equivalents at the Beginning of the Year		122,346	114,650
Cash and Equivalents at the End of the Year	5.1.1	91,582	122,346

* Non-Cash Financing and Investing Activities

During the period ended 30 June 2022 the Group acquired \$21.8 million (2021: \$50.9m) in plant and equipment by means of finance leases (included in right-of-use assets), directly from original equipment manufacturers. These acquisitions are not reflected above.

The accompanying Sections form part of these Financial Statements

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

Section 1 General Information

1.1 Reporting Entity

MACA Limited (MLD) is a limited company incorporated in Australia. The addresses of the Company's registered office and principal place of business are disclosed in the Corporate Directory. The principal activities of the Company are described in the Directors' Report.

The Financial Statements were authorised for issue by the Directors on 22nd August 2022.

1.2 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements 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 as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. These financial statements are presented in Australian dollars and rounded to the nearest thousand (\$'000), unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

1.3 Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MACA Limited (the 'Company') as at 30 June 2022 and the results of all subsidiaries for the year then ended. MACA Limited and its subsidiaries together are referred to in these financial statements as the "Group" or "Consolidated".

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group.

1.4 New Accounting Standards Adopted by the Group During the Year

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

1.5 New Accounting Standards for Application in Future Periods

A number of new accounting standards, amendments to standards and interpretations are not yet effective for the 30 June 2022 reporting period and have not been early adopted in preparing these financial statements.

- *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

- *AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

- *AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

- *AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.

The Directors' assessment of these new accounting standards (to the extent relevant to the Group) and interpretations is that they are not expected to have a material effect on the financial statements of the Group.

1.6 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.

The comparative Consolidated Statement of Financial Position as at 30 June 2021 and of its performance for the year ended 30 June 2021 have been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

Section 2 Critical Accounting Estimates and Judgments

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

Key Estimates and Judgements

Impairment - Property, Plant and Equipment

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 assets 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 there is no adjustment required to the carrying value of assets in the current reporting period.

Impairment - Trade and Other Receivables (including contract assets) and Loans to Other Companies

As at 30 June 2022, the Group's trade and other receivables (including contract assets) and loans to other companies amounted to \$285.9m (30 June 2021: \$317.1m), before recognition of any impairment.

Based on the Group's historical credit loss experience, trade receivables and loans to other companies exhibit different loss patterns for each revenue segment. Where the Group has common customers across the different geographical regions it applies credit evaluations firstly by segment, where payment profiles exceed 12 months. Receivables identified within each revenue segment, are then evaluated on an individual basis. Management has assessed and impaired receivables by \$267k, being bad debts written off through the profit and loss (30 June 2021: \$4.2m).

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.

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.

Acquisition of Mining West Business

On 1 February 2021, MACA acquired Mining West Business for a total consideration of \$175m at which time the value of the assets acquired and liabilities assumed were recognised. During the half year period, the fair value of certain assets acquired has been amended and the retrospective impact on the financial statements is summarised in Note 6.1. The goodwill of \$0.48m represents the residual value of the purchase price over the fair value of the identifiable assets acquired and liabilities assumed.

Impairment - Investment in Wiluna Mining Corporation Limited

Subsequent to 30 June 2022, the shares of Wiluna Mining Corporation Limited ("Wiluna") have been suspended from quotation immediately under Listing Rule 17.3, following the appointment of voluntary administrators. As a result, an impairment of \$1.035m has been made for the remaining value of the investment in Wiluna for the year ended 30 June 2022.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

Section 3 Results for the Year

This section focuses on the results and performance of the Group and includes disclosures explaining the Group's results for the year, segment information, capital commitments, taxation, profit/(loss) from discontinued operations and EPS.

3.1 Revenue

Accounting Policies

Revenue Recognition

Under AASB 15, revenue is recognised when the performance obligations are considered met, which can be at a point in time, or over time, depending on the various service offerings. Major activities of the Group are detailed below.

Contract Services

Contracts for services includes contract mining, drill and blast, excavation, earthmoving, crushing, infrastructure and road construction and maintenance.

The relevant performance obligations are fulfilled over time as the Group enhances assets which the customer controls, for which the Group does not have an alternative use and for which the Group has a right to payment for performance to date and as such revenue is recognised over time.

Revenue is measured and recognised monthly using the outputs method, either based on units of production (typically for contract mining services, which is the largest segment in the Group) or on the achievement of milestones (generally for civil and infrastructure projects) at agreed contract rates that are aligned with the stand alone selling prices for each performance obligation. The majority of the Group's revenue (i.e. in respect of mining services) is paid one month in arrears and therefore gives rise to a process of invoicing or accruing revenue monthly, based on the achievement of contractually agreed production related measures, as noted above.

For rental of equipment, as the customer simultaneously receives and consumes the benefits, the Group has an enforceable right to payment, based on agreed contract rates, and as such the performance obligation is fulfilled over time.

The total transaction price for contract services may include variable consideration. Variable consideration is only recognised and recorded in the accounts to the extent that it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

Sale of Inventory

Revenue recognised at a point in time is only 0.08% of the Group's trading revenue. This is noted under note 3.2 Operating Segments and refers only to Interquip revenues of which 0.9% of their trading revenues comprise the sale of inventory. At the point of recognising the revenue the Group has agreed the price of the transaction, transferred the physical asset and the customer has accepted control of the asset and its intended use of the asset.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

3.1 Revenue (continued)

Other Revenue

Other revenue and other income primarily includes profit or loss on sale of assets or investments, dividends received, government rebates (including diesel fuel rebates) and interest income which is recognised on an accrual basis.

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

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

The following is an analysis of the Group's revenue and other income for the year:

		30 June 2022	30 June 2021
	Section	\$'000	\$'000
3.1(a) Revenue from Continuing Operations			
Contract Trading Revenue		1,649,890	1,173,423
Interest Received		41	79
Other Revenue		591	418
Total Revenue from Continuing Operations		1,650,522	1,173,920

		30 June 2022	30 June 2021
	Section	\$'000	\$'000
3.1(b) Other Income from Continuing Operations			
Profit / (Loss) on Disposal of Property, Plant and Equipment		1,632	1,020
Unrealised Gain on Other Financial Assets		2,131	-
Rebates		31,817	35,659
Total Other Income from Continuing Operations		35,580	36,679

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

3.2 Operating Segments

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 in three businesses and currently three geographical segments. The business segments are for the provision of contract mining, civil & infrastructure, and structural, mechanical and piping (through Interquip) services to the resource sector. The three geographical segments being Australia, Brazil and Cambodia. Operations in Brazil have been discontinued since 2020 and are presented separately in the table below.

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, are in accordance with accounting policies that are consistent to those adopted in the financial statements of the Group.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised 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. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

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

- Dividends, interest, foreign exchange, head office and other administration expenditure.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

3.2 Operating Segments (continued)

Consolidated - 30 June 2022	Mining	Civil/ Infrastructure	Interquip^	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Reportable Segment Revenue	1,356,977	159,417	133,708	420	1,650,522
Other Revenue	32,833	46	(131)	2,832	35,580
Total Revenue	1,389,810	159,463	133,577	3,252	1,686,102
EBITDA*	204,178	6,149	(21,846)	2,384	190,865
Depreciation and Amortisation	(124,064)	(1,373)	(1,889)	-	(127,326)
EBIT	80,114	4,776	(23,735)	2,384	63,539
Non-Recurring Transactions ¹	-	-	(1,035)	-	(1,035)
Interest Revenue	41	-	-	-	41
Finance Costs	(10,332)	(158)	(73)	-	(10,563)
Profit / (Loss) Before Tax	69,823	4,618	(24,843)	2,384	51,982
Income Tax Expense					(14,405)
Net Profit After Tax					37,577
Net Loss After Tax from Discontinued Operations					(1,769)
Profit for the Year					35,808
Assets					
Segment Assets	810,051	68,898	41,317	52,132	972,398
Total Assets					972,398
Liabilities					
Segment Liabilities	492,289	48,831	23,034	5,950	570,104
Total Liabilities					570,104
Capital Expenditure	97,280	548	4,479	-	102,307

*EBITDA is Earnings Before Interest, Income Tax, Non-Recurring Transactions, Depreciation and Amortisation of Continuing Operations.

¹Non-Recurring Transactions include the impairment of investment in Wiluna Mining Corporation Limited.

Disaggregation of Revenue

^ 0.9% of Interquip segment revenue has been derived at a point in time. This represents only 0.08% of the Group's total trading revenue. All other Group revenue is derived over time.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

3.2 Operating Segments (continued)

Consolidated - 30 June 2021	(Restated) [#]		(Restated) [#]		
	Mining \$'000	Civil/ Infrastructure \$'000	Interquip \$'000	Unallocated \$'000	Total \$'000
Revenue					
Reportable Segment Revenue	870,524	210,263	95,573	(2,440)	1,173,920
Other Revenue	36,606	22	51	-	36,679
Total Revenue	907,130	210,285	95,624	(2,440)	1,210,599
EBITDA*					
	148,834	(960)	10,924	(1,252)	157,546
Depreciation and Amortisation	(92,883)	(1,747)	(1,309)	-	(95,939)
EBIT	55,951	(2,707)	9,615	(1,252)	61,607
Non-Recurring Transactions [^]	(15,586)	-	(3,221)	(2,445)	(21,252)
Interest Revenue	66	8	-	5	79
Finance Costs	(8,383)	(101)	(37)	-	(8,521)
Profit / (Loss) Before Tax	32,048	(2,800)	6,357	(3,692)	31,913
Income Tax Expense					(11,246)
Net Profit After Tax					20,667
Net Loss After Tax from Discontinued Operations					(4,472)
Profit / (Loss) for the Year					16,195
Assets					
Segment Assets	855,855	60,802	40,952	46,697	1,004,306
Total Assets					1,004,306
Liabilities					
Segment Liabilities	554,191	38,032	26,481	2,529	621,233
Total Liabilities					621,233
Capital Expenditure	277,664	1,056	3,406	-	282,126

[#] The comparative operating segments for the year ended 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

*EBITDA is Earnings Before Interest, Income Tax, Non-Recurring Transactions, Depreciation and Amortisation of Continuing Operations.

[^]Non-Recurring Transactions include forex losses and Bluff cessation costs.

MACA Limited

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For the Year Ended 30 June 2022

3.2 Operating Segments (continued)

Geographical Information	Revenue		Non-Current Assets	
	30 June	30 June	30 June	(Restated) [#] 30 June
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Australia	1,597,055	1,157,118	454,039	514,363
Cambodia	53,467	16,802	27,003	29,445
Brazil (Discontinued Operations)	238	211	-	1
Total	1,650,760	1,174,131	481,042	543,809

[#] The comparative Non-Current Assets as at 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

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 12.2%, 8.9% and 7.1% of external revenue. (2021: 20.6%, 9.4% and 7.3%). The next most significant client across the Group accounts for 5.1% (2021: 6.7%) of external revenue.

3.3 Operating Costs from Continuing Operations

Expenses	Section	30 June	30 June
		2022 \$'000	2021 \$'000
Depreciation and Amortisation			
– Plant and Equipment		119,429	91,418
– Motor Vehicles		407	1,271
– Other		7,490	3,250
Total Depreciation and Amortisation Expenses		127,326	95,939
The amount above excludes the depreciation of \$nil (2021: \$23k) for discontinued operations.			
Employee Benefits Expense		601,514	444,075
Repairs, Service and Maintenance		169,715	105,194
Materials and Supplies		289,990	179,746
Hire of Plant and Equipment		101,784	72,799
Subcontractor Costs		73,862	66,601
Others		225,647	165,756
Total Direct Costs		1,589,838	1,130,110

The comparatives for operating costs only include Mining West since acquisition date 1 February 2021.

Impairment of Assets

– Impairment of Receivables	-	3,221
– Impairment of Investment in Wiluna Mining Corporation Limited	1,035	-
Total Impairment	1,035	3,221

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

3.4 Capital Commitments

Accounting Policies

Leases

AASB 16 Leases was adopted by the Group at 1 July 2019 and contains significant changes to the accounting treatment of leases around how to recognise, measure and disclose. The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases, with exception of short term (less than 12 months) and low value leases.

The Group manages its owned and leased assets to ensure there is an appropriate level of equipment to meet its current obligations and to tender for new work. The decision as to whether to lease or purchase an asset is dependent on the finance available at the time and the residual risk of ownership following the anticipated completion of the project.

	30 June 2022 \$'000	30 June 2021 \$'000
Capital Expenditure Commitments		
Plant and Equipment Purchases		
Payable		
– Not Later Than 12 Months	69,890	28,384
– Between 12 Months and 5 Years	-	-
– Greater Than 5 Years	-	-
Total Minimum Commitments	69,890	28,384

\$69.9m of commitments for property, plant and equipment expenditure existed at 30 June 2021 (2021: \$28.4m)

3.5 Auditor's Remuneration

	30 June 2022 \$'000	30 June 2021 \$'000
Auditor's Remuneration - Moore Australia		
Audit and Review of the Financial Report	249	245
Other Non-Audit Services	-	-
Taxation Services	-	-
Total Auditor's Remuneration	249	245

MACA Limited

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For the Year Ended 30 June 2022

3.6 Taxation

Accounting Policies

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.

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.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

3.6 Taxation (continued)

		30 June 2022 \$'000	(Restated)* 30 June 2021 \$'000
3.6.1 Income Tax Expense	Section		
(a) The Components of Tax Expense comprise:			
Current		20,509	8,920
Deferred	3.6.3(a)	(6,104)	2,326
Income Tax Expense		14,405	11,246
(b) Reconciliation:			
Prima Facie Tax Payable on Profit From Ordinary Activities Before Income Tax at 30% (2021: 30%)		15,595	9,574
Add Tax Effect of			
– Dividend Imputation		2,351	1,960
– Other Non-Allowable Items		1,268	1,772
– Other Taxable Items		3,737	5,007
– Under / (Over) provision of Prior Years' Tax Expense		304	(441)
Less Tax Effect of			
– Franking Credits on Dividends Received		(7,837)	(6,533)
– Other Deductible Items		(1,013)	(93)
Income tax attributable to the Group		14,405	11,246
The Applicable Weighted Average Effective Tax Rate as		28%	31%

* The comparative Income Tax for the year ended 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

MACA Limited

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For the Year Ended 30 June 2022

3.6 Taxation (continued)

		30 June 2022 \$'000	(Restated)* 30 June 2021 \$'000
3.6.2 Tax Assets and Liabilities	Section		
(a) Tax Assets			
Non-Current			
Deferred Tax Assets comprise:			
Provisions	3.6.3(c)	12,745	12,043
Losses	3.6.3(c)	10,676	7,054
Other	3.6.3(c)	6,240	4,309
Total Non-Current Tax Assets		29,661	23,406
(b) Tax Liabilities			
Current			
Income tax		6,151	10
Total Current Tax Liabilities		6,151	10
Non-Current			
Deferred Tax Liabilities comprises:			
Depreciation		-	1,099
Other		1,250	-
Total Non-Current Tax Liabilities	3.6.3(b)	1,250	1,099

* The comparative Deferred Tax Assets as at 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

3.6.3 Reconciliations

(a) Gross Movements

The Overall Movement In the Deferred Tax Account is as follows:

Opening Balance	22,307	23,558
(Charge)/Credit To Income Statement	6,104	(2,326)
Charge/(Credit) To Equity	-	1,075
Closing Balance	28,411	22,307

(b) Deferred Tax Liabilities

The Movement In Deferred Tax Liabilities For Each Temporary Difference During the Year is as follows:

Depreciation and Other:

Opening Balance	1,099	-
Charge/(Credit) To Income Statement	151	1,099
Closing Balance	1,250	1,099

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For the Year Ended 30 June 2022

3.6 Taxation (continued)

		30 June 2022 \$'000	(Restated)* 30 June 2021 \$'000
3.6.3 Reconciliations (continued)	Section		
(c) Deferred Tax Assets			
The Movement In Deferred Tax Assets For Each Temporary Difference During the Year is as follows:			
Provisions:			
Opening Balance		12,043	5,724
(Charge) / Credit to Equity		-	1,075
Credit To Income Statement		702	5,244
Closing Balance		12,745	12,043
Losses:			
Opening Balance		7,054	2,733
(Charge)/Credit To Income Statement		3,622	4,321
Closing Balance		10,676	7,054
Other:			
Opening Balance		4,309	15,101
(Charge)/Credit To Income Statement		1,931	(10,792)
Closing Balance		6,240	4,309

* The comparative Deferred Tax Assets as at 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

3.7 Profit / (Loss) from Discontinued Operations

Accounting Policies

A discontinued operation is a component of the entity that either has been disposed of, ceased operation or is classified as held for sale, and

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations, including prior year components of profit or loss, is presented in a single amount in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. This amount comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale (if any).

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For the Year Ended 30 June 2022

3.7 Profit / (Loss) from Discontinued Operations (continued)

Discontinued Operations

On 21 January 2020, the Group announced the cessation of the operations in Brazil. This followed the termination of the contract at Antas for AVB Mineracao Ltda, a subsidiary of Oz Minerals Ltd. The Group had relocated the plant and equipment back to Australia for deployment to existing and new projects.

The financial performance of the discontinued operations, is included in profit / (loss) from discontinued operations on the face of Consolidated Statement of Profit or Loss and Other Comprehensive Income, is as follows:

Section	30 June 2022 \$'000	30 June 2021 \$'000
Revenue	238	211
Other Income	-	102
Direct Costs	(1,803)	(3,051)
Impairment of Receivables	(266)	(981)
Finance Costs	-	-
Foreign Exchange Gains / (Losses)	-	53
Profit / (Loss) Before Income Tax	(1,831)	(3,666)
Income Tax Expense	-	-
Profit / (Loss) After Tax from Discontinued Operations	(1,831)	(3,666)

The net cash flows of the discontinued operations, which have been incorporated into the Consolidated Statement of Cash Flows, are as follows:

Net Cash Provided By / (Used In) Operating Activities	(519)	10,558
Net Cash Provided By / (Used In) Investing Activities	-	859
Net Cash Provided By / (Used In) Financing Activities*	(1,865)	(7,508)
Net Cash Increase / (Decrease) in Cash Held	(2,384)	3,909

*Included in the net cash used in financing activities for the year ended 30 June 2022, is an amount of \$2.38m (2021: \$7.5m) loan repayment made to the parent entity.

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3.8 Earnings per Share

Accounting Policies

Basic EPS

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares during the financial year.

Diluted EPS

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares and performance rights for the effects of all dilutive potential ordinary shares.

	30 June 2022 \$'000	(Restated)* 30 June 2021 \$'000
Reconciliation Of Earnings To Profit and Loss		
Profit After Tax from Continuing Operations	37,577	20,667
(Profit) / Loss Attributable to Non-Controlling Interest	6,957	(1,784)
Profit Attributable to Members of Parent Entity from Continuing Operations	44,534	18,883
Profit / (Loss) Attributable to Members of Parent Entity from Discontinued Operations	(1,769)	(4,472)
Profit / (Loss) Attributable to Members of Parent Entity from Continuing and Discontinued Operations	42,765	14,411
From Continuing and Discontinued Operations		
Earnings Used To Calculate Basic EPS	42,765	14,411
Earnings Used in the Calculation of Dilutive EPS	42,765	14,411
From Continuing Operations		
Earnings Used To Calculate Basic EPS	44,534	18,883
Earnings Used in the Calculation of Dilutive EPS	44,534	18,883
From Discontinued Operations		
Earnings Used To Calculate Basic EPS	(1,769)	(4,472)
Earnings Used in the Calculation of Dilutive EPS	(1,769)	(4,472)
Weighted Avg. No. of Ord. Shares Outstanding During the Year (Basic EPS) ('000)	341,711	305,418
Weighted Average Number of Dilutive Options Outstanding ('000)	5,595	4,985
Weighted Avg. No. of Ord. Shares Outstanding During the Year (Diluted EPS) ('000)	347,306	310,403

* The comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

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Sections to the Financial Statements

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Section 4 Assets and Liabilities

This Section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 5.

4.1 Trade and Other Receivables, Loans to Other Companies and Other Financial Assets

Accounting Policies

Trade and other receivables represent the asset outstanding at the end of the reporting period for goods and services provided by the Group during the reporting period which remain unpaid. The balance is recognised as a current asset with the amount normally being received within 30 to 60 days of recognition of the receivable. The Group's impairment loss allowance accounting policy for receivables is outlined in note 5.3.

A contract asset is recognised when the Group recognises revenue as set out in Note 3.1(a) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECLs") in accordance with the policy set out in this note and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue as set out in note 3.1(a). A contract liability would also be recognised if the Group has unconditional right to receive the consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

		30 June 2022 \$'000	30 June 2021 \$'000
Trade and Other Receivables	Section		
Trade and Other Debtors - Current		274,590	281,543
Less: Provision for Impairment	5.3	-	(981)
		274,590	280,562
Contract Assets - Current		150	(4,862)
Debtors Subject to Payment Arrangements - Current		3,867	4,089
Total Current		278,607	279,789
Debtors Subject to Payment Arrangements - Non-Current		7,281	9,469
Total Trade and Other Receivables		285,888	289,258
Loans to Other Companies			
Loans to Other Companies - Current		-	-
Loans to Other Companies - Non-Current		-	26,841
Total Loans to Other Companies		-	26,841
Other Financial Assets			
Shares in Listed Corporations at Fair Value Through Profit or Loss - Current		6,939	30
Shares in Unlisted Corporations at Fair Value Through Profit or Loss - Non-Current		1,267	-
Total Other Financial Assets		8,206	30

Credit Risk

The Group has approximately 13% (2021: 14%) of post-impairment credit risk with a single counterparty or group of counterparties. Failure or default of a major counterparty would have a material impact on earnings. Management of credit risk is discussed in Section 5.3 Financial Risk Management. The class of assets described as trade and other receivables (including contract assets) and loans to other companies are considered to be the main source of credit risk related to the Group.

On 26 October 2021, MACA entered into a binding agreement for the disposal of Bluff PCI Mine, one of the securities pledged for the loan facility to Carabella Resources Pty Ltd ("Carabella"), to Bowen Coking Coal Ltd ("Bowen"). The agreement provided a settlement through both cash and shares issued by Bowen totalling \$5m and a royalty, based on the selling price and sales volume, over the lifetime of the mine from Bowen. Further on 24 June 2022 the court ordered the transfer of 100% of the existing fully paid shares in Wealth Mining Pty Ltd, the owner of Grosvenor West Tenements, to MACA. Management intends to dispose of the royalty from the future coal sales and Grosvenor West Tenements to recover the remaining outstanding trade and loan amounts made to Carabella totalling \$31.7m as at 30 June 2022.

As a result, the outstanding amounts of \$31.7m have been transferred to the assets held for sale which consist of Grosvenor West Tenements and Royalty in Note 4.3.

MACA Limited

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4.1 Trade and Other Receivables, Loans to Other Companies and Other Financial Assets (continued)

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. There is no ageing analysis for contract assets as these mainly relate to variable considerations which have yet to be invoiced. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

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

	Gross amount \$'000	Past due and impaired \$'000	Past due but not impaired \$'000	Within initial trade terms \$'000
30 June 2022				
Trade and Term Receivables	264,102	-	15,053	249,049
Other Receivables	21,636	-	-	21,636
Total Trade and Other Receivables	285,738	-	15,053	270,685

30 June 2021				
Trade and Term Receivables	277,777	(4,202)	28,749	244,826
Other Receivables	20,545	-	-	20,545
Total Trade and Other Receivables	298,322	(4,202)	28,749	265,371

	30 June 2022 \$'000	30 June 2021
Receivables and Loans as Financial Assets measured at Amortised Cost		
Trade and Other Receivables		
- Total Current (net of impairment)	278,607	279,789
- Total Non-Current	7,281	9,469
Total Trade and Other Receivables	285,888	289,258

Loans to Other Companies		
- Total Current	-	-
- Total Non-Current	-	26,841
Total Loan to Other Companies	-	26,841

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4.2 Inventory

Accounting Policies

Inventory is 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.

	30 June 2022 \$'000	30 June 2021 \$'000
Inventory		
Inventory	81,207	49,914
Total Inventory	81,207	49,914

4.3 Assets Held for Sale

Accounting Policies

Non-current assets and disposal groups are classified as held for sale and generally measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

The Grosvenor West Tenements and Royalty from the future coal sales are classified as Assets Held for Sale and measured at the carrying amount of the trade and loan amounts made to Carabella Resources Pty Ltd ("Carabella") as at 30 June 2022. The Directors are of opinion that the carrying amount is recoverable through the disposal of Grosvenor West Tenements and the royalties from future coal sales due to:

- the valuation of Grosvenor West Tenements conducted by an independent licensed valuer; and
- the valuation of the royalty is based on the production and sale commitment by Bowen Coking Coal Ltd ("Bowen") and forecast market price for PCI coal from the independent market analyst for the next five years, and discounted at weighted average cost of capital ("WACC") of 10.9% per annum.

	30 June 2022 \$'000	30 June 2021 \$'000
Assets Held for Sale		
Grosvenor West Tenements and Royalty	31,694	-
Total Assets Held for Sale	31,694	-

4.4 Other Assets

	30 June 2022 \$'000	30 June 2021 \$'000
Other Assets		
Prepayments	651	2,565
Deposit	351	5,528
Loan Establishment Fee^	325	325
Total Other Assets - Current	1,327	8,418
Loan Establishment Fee^	852	1,175
Total Other Assets - Non-Current	852	1,175

^In relation to the \$130m loan from Commonwealth Bank of Australia for the acquisition of Mining West and being amortised over the remaining period of the loan.

MACA Limited

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For the Year Ended 30 June 2022

4.5 Property, Plant and Equipment

Accounting Policies

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 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 profit and loss statement 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 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	10% – 66.7%
Plant and Equipment	10% – 40.0%
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.

Leases

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

4.5 Property, Plant and Equipment (continued)

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period are as follows:

	30 June 2022 \$'000	30 June 2021 \$'000
Plant and Equipment – at Cost		
- Owned	634,884	600,634
- Right-Of-Use Assets	326,718	318,572
Total Cost	961,602	919,206
Accumulated Depreciation		
- Owned	(417,546)	(344,082)
- Right-Of-Use Assets	(120,823)	(115,467)
Total Accumulated Depreciation	(538,369)	(459,549)
Carrying Amount - Plant and Equipment	423,233	459,657
Motor Vehicles – at Cost		
- Owned	3,776	3,759
- Right-Of-Use Assets	2,707	4,884
Total Cost	6,483	8,643
Accumulated Depreciation		
- Owned	(2,979)	(2,992)
- Right-Of-Use Assets	(2,109)	(1,962)
Total Accumulated Depreciation	(5,088)	(4,954)
Carrying Amount - Motor Vehicles	1,395	3,689
Land and Building		
- Owned at Fair Value	2,321	3,272
- Right-Of-Use Assets	20,928	18,065
Total	23,249	21,337
Accumulated Depreciation		
- Owned at Fair Value	(534)	(519)
- Right-Of-Use Assets	(8,856)	(7,033)
Total Accumulated Depreciation	(9,390)	(7,552)
Carrying Amount - Land and Building	13,859	13,785

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

4.5 Property, Plant and Equipment (continued)

	30 June 2022 \$'000	30 June 2021 \$'000
Low Value Pool – at Cost	674	567
Accumulated Depreciation	(518)	(456)
Carrying Amount - Low Value Pool	156	111
Leasehold Improvements – at Cost	3,925	3,661
Accumulated Depreciation	(2,633)	(2,124)
Carrying Amount - Leasehold Improvements	1,292	1,537
Total Carrying Amounts - Owned	221,370	261,720
Total Carrying Amounts - Right-Of-Use Assets	218,565	217,059
Total Carrying Amounts - Property, Plant and Equipment	439,935	478,779

The Group's lease portfolio includes buildings, plant and equipment and motor vehicles.

Options to Extend or Terminate

The options to extend or terminate are contained in several of the property leases of the Group. There were no extension options for equipment leases. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which management were reasonably certain to be exercised have been included in the calculation of the lease liability.

Impairment of Property, Plant & Equipment

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 occurred at 30 June 2022:

- The carrying amount of the Group's net assets (\$402.3M) exceeded the Company's market capitalisation as at 30 June 2022 (\$225.5M).

As a result, an assessment has been made of the recoverable amounts of each of the Operating Segments. The Group's Mining Services segment is split into Mining and Crushing CGU's for evaluation of impairment. Similarly, Civil and Infrastructure are also assessed as independent CGU's. 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 Weighted Average Cost of Capital (WACC) rate using the debt/equity ratio as at 30 June 2022. Projected future cash flows from the continuing use of assets for FY23 have been based on current contracted work in hand plus an allowance for estimated new work, thereafter real growth (net of inflation) has been allowed at 2.0% and with a terminal growth rate of 2.0% has been applied.

The assessment results have indicated nil impairment for all CGU's. Accordingly, no impairment to property, plant and equipment has been recognised for the group.

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4.5 Property, Plant and Equipment (continued)

Key Assumptions used for value in use calculations

- EBITDA Margin
- Discount Rates
- Growth rates used to extrapolate cash flows beyond the forecast period
- Capital expenditure

The EBITDA Margin is based on management's best estimate taking into account past performance and expected market conditions. Working Capital has been adjusted to reflect the required working capital for the forecast future cashflows.

Capital expenditure has considered both required replacement capital and idle equipment which could be utilised to sustain the current Work in Hand schedule. Capital expenditure has been matched to depreciation levels in the terminal year.

As disclosed above management have made judgements and estimates in respect of impairment testing of plant and equipment. Any adverse changes to key assumptions may result in an impairment in the future. The sensitivities are as follows

Sensitivity Analysis

CGU	Decrease in Revenue required to incur an impairment	Increase in Discount Rate to incur an impairment
Crushing	6.0%	>100%
Mining	6.5%	>100%
Civil	14.9%	>100%
Infrastructure	7.1%	>100%
Interquip	8.9%	>100%

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

4.5 Property, Plant and Equipment (continued)

	Plant and Equipment \$'000	Motor Vehicles \$'000	Land and Buildings \$'000	Right-Of- Use Assets \$'000	Low Value Pool \$'000	Leasehold Improvement \$'000	Total \$'000
Consolidated:							
Balance at 1 July 2020	80,529	563	2,785	208,014	65	1,362	293,318
Additions	70,580	479	-	74,925	86	681	146,751
Acquisition through business combination	135,375	-	-	-	-	-	135,375
Disposals	(1,296)	(423)	-	-	-	-	(1,719)
Reallocation from ROUA	29,198	1,365	-	(30,563)	-	-	-
Forex movements	144	-	-	-	-	-	144
Depreciation expense	(57,978)	(1,217)	(32)	(35,317)	(40)	(506)	(95,090)
Balance at 30 June 2021	256,552	767	2,753	217,059	111	1,537	478,779

	Plant and Equipment \$'000	Motor Vehicles \$'000	Land and Buildings \$'000	Right-Of- Use Assets \$'000	Low Value Pool \$'000	Leasehold Improvement \$'000	Total \$'000
Balance at 1 July 2021	256,552	767	2,753	217,059	111	1,537	478,779
Additions	19,020	199	-	82,717	107	264	102,307
Disposals	-	(82)	(941)	(17,796)	-	-	(18,819)
Reallocation from ROUA	22,293	320	-	(22,613)	-	-	-
Forex movements	2,901	-	-	-	-	-	2,901
Depreciation expense	(83,428)	(407)	(25)	(40,802)	(62)	(509)	(125,233)
Balance at 30 June 2022	217,338	797	1,787	218,565	156	1,292	439,935

	30 June 2022 \$'000	30 June 2021 \$'000
AASB 16 related amounts recognised in the income statement for the year ended		
Depreciation charge related to right-of-use assets	40,802	35,317
Interest expense on lease liabilities (under finance cost)	8,163	7,257
Short-term leases expense	121	191

4.6 Intangible Assets

Accounting Policies

Goodwill

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

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The 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.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. 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.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

4.6 Intangible Assets (continued)

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

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

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

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.

Allocation of Goodwill to Cash Generating Unit

Goodwill is allocated to the Group's cash generating units identified according to operating segment. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

Impairment Test for Goodwill

There are no indicators goodwill is impaired at 30 June 2022.

Intangible Assets - Customer Contracts

The acquisition price of Mining West sites was based on the fair value of inventory, plant and equipment, using an independent valuation. The customer contracts ceded to MACA were valued based on the expected net results and discounted using MACA's Weighted Average Cost of Capital ("WACC") to present value. Management believe the customer contracts are fully recoverable and as a result, an intangible asset was recognised at acquisition date (1st February 2021) and has been amortised on a straight-line basis over the average duration of the contracts, see table below.

		30 June 2022 \$'000	(Restated)* 30 June 2021 \$'000
Intangible Assets	Section		
Goodwill:			
Fair Value		476	-
Acquisition through business combination	6.1	-	476
Less: Accumulated Impairment Losses		-	-
Goodwill Carrying Amount		476	476
Customer Contracts:			
Fair Value		4,535	-
Acquisition through business combination		-	4,535
Less: Accumulated Amortisation		(2,965)	(872)
Customer Contracts Carrying Amount		1,570	3,663
Total Carrying Amount - Intangible Assets		2,046	4,139

* The comparative Intangible Assets as at 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

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4.7 Trade and Other Payables

Accounting Policies

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 45 days of recognition of the liability.

		30 June 2022 \$'000	30 June 2021 \$'000
Payables	Section		
Current			
Unsecured Liabilities:			
Trade Creditors		139,103	157,260
Sundry Creditors and Accruals		103,003	89,362
Total Trade and Other Payables		242,106	246,622
Secured Liabilities:			
Deferred Consideration Payable - Downer		-	38,500
Total Payables		242,106	285,122

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

Payables as Financial Liabilities measured at Amortised Cost

Payables			
- Total Current		242,106	285,122
- Total Non-Current		-	-
Total Payables		242,106	285,122

4.8 Provisions

Accounting Policies

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.

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.

	30 June 2022 \$'000	30 June 2021 \$'000
Employee Entitlements	34,953	32,431
Movement in Provisions		
Opening Balance	32,431	15,976
Additional Provisions	41,187	4,606
Acquisition through business combination	-	16,704
Amounts Used	(38,665)	(4,855)
Closing balance	34,953	32,431

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Section 5 Capital Structure and Financing Costs

This Section outlines how the Group manages its capital structure, including its balance sheet liquidity and access to capital markets.

The Directors determine the appropriate capital structure of MLD, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the Group's activities both now and in the future. The Directors consider the Group's capital structure and dividend policy at least annually and do so in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan.

5.1 Cash and Cash Equivalents

Accounting Policies

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. The Group does not have any bank overdraft facilities.

		30 June 2022	30 June 2021
	Section	\$'000	\$'000
5.1.1 Cash and Cash Equivalents			
Cash and Cash Equivalents		91,582	102,346
Term Deposit - Convertible to Cash*		-	20,000
Total Cash and Cash Equivalents		91,582	122,346

* Classified as cash & cash equivalents as the term deposit can be readily converted to cash.

5.1.2 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit / (Loss) for the Year			
Profit / (Loss) for the Year		35,808	16,195
Non-Cash Flows in Profit			
Depreciation and Amortisation	3.3	127,326	95,962
Impairment	3.3, 3.7	1,301	4,202
Net (Gains) / Losses on Disposal of Plant and Equipment	3.1(b)	(1,632)	(1,120)
Fair Value (Gains) / Losses on Financial Assets		(2,131)	39
Foreign Exchange (Gains) / Losses		(615)	2,115
Total Non-Cash Flows in Profit		124,249	101,198
Movements in Working Capital			
(Increase) / Decrease in Trade and Other Receivables		(1,751)	(132,678)
(Increase) / Decrease in Other Assets		7,414	(3,944)
(Increase) / Decrease in Inventories		(31,293)	8,591
Increase / (Decrease) in Trade and Other Payables		(4,516)	130,544
Increase / (Decrease) in Income Tax Payable		6,141	(2,159)
Increase / (Decrease) in Deferred Tax		(6,104)	1,252
Increase / (Decrease) in Provisions		2,522	(249)
Total Working Capital Movements		(27,587)	1,357
Net Cash Increase / (Decrease) from Operating Activities		132,470	118,750

5.1.3 Non-Cash Financing and Investing Activities

During the year the Group acquired \$21.8m in plant and equipment (2021: \$50.9m) by means of finance leases (included in right-of-use assets), directly from original equipment manufacturers. These acquisitions are not reflected in the statement of cash flows.

Shares Issued

No share issued during the year. 58,530,982 and 15,172,156 new shares were issued at \$1.02 per share on 23 December 2020 and 15 January 2021 respectively for the acquisition of Mining West.

Insurance Bonding and Bank Guarantee Facilities

The Group has insurance bonding and bank guarantee facilities totalling \$73.7 million. At 30 June 2022 the amount drawn on the facilities was \$36.5 million (2021: \$29.1 million).

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5.2 Interest Bearing Liabilities

Accounting Policies

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 the statement of profit and loss in the period in which they are incurred.

		30 June 2022	30 June 2021
	Section	\$'000	\$'000
5.2.1 Financial Liabilities measured at Amortised Cost			
Current			
Secured Lease Liability		75,111	68,080
Secured Bank Loan		26,000	26,000
Unsecured Lease Liability		3,200	3,251
Total Current Interest Bearing Liabilities		104,311	97,331
Non-Current			
Secured Lease Liability		107,422	103,550
Secured Bank Loan		65,000	91,000
Unsecured Lease Liability		8,911	10,690
Total Non-Current Interest Bearing Liabilities		181,333	205,240
Total Current and Non-Current Interest Bearing Liabilities		285,644	302,571

	Secured Bank Loan \$'000	Unsecured and Secured Lease Liabilities \$'000	Total \$'000
5.2.2 Movements in Interest Bearing Liabilities			
Balance at 1 July 2020	-	188,072	188,072
New loans / lease liabilities*	130,000	69,711	199,711
Repayments	(13,000)	(72,212)	(85,212)
Exchange Differences	-	-	-
Balance at 30 June 2021	117,000	185,571	302,571
Balance at 1 July 2021	117,000	185,571	302,571
New loans / lease liabilities*	-	85,113	85,113
Repayments	(26,000)	(78,141)	(104,141)
Exchange Differences	-	2,101	2,101
Balance at 30 June 2022	91,000	194,644	285,644

* Include the financing arrangements of \$21.8m (2021: \$50.9m) directly from the original equipment manufacturers and new operating lease liabilities of \$1.8m (2021: \$3.9m) which are accounted for under the AASB 16.

The bank loan is secured by the first ranking general security interest over all present and after acquired property (including all shares held in any subsidiary).

During FY22, the Group is in compliance with all of the following financial covenants of its primary facility with Commonwealth Bank of Australia:

- Minimum equity must be at least \$300 million;
- Debt Service Cover Ratio must be at least 1.3; and
- Senior Leverage Ratio must not exceed 1.5.

MACA Limited

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For the Year Ended 30 June 2022

5.3 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

Accounting Policies

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

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

		30 June 2022	30 June 2021
	Section	\$'000	\$'000
Financial Assets			
Financial Assets at Amortised Cost:			
— Cash and Cash Equivalents	5.1.1	91,582	122,346
— Trade and Other Receivables	4.1	285,888	289,258
— Loans to Other Companies	4.1	-	26,841
Financial Assets at Fair Value Through Profit or Loss:			
— Listed and Unlisted Investments	4.1	8,206	30
Total Financial Assets		385,676	438,475
Financial Liabilities			
Financial Liabilities at Amortised Cost:			
— Trade and Other Payables (incl. Deferred Consideration Payable)	4.7	242,106	285,122
— Interest Bearing Liabilities	5.2.1	285,644	302,571
Total Financial Liabilities		527,750	587,693

Specific Financial Risk Exposures and Management

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

Credit Risk

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

The Group has approximately 13% (2021: 14%) of post-impairment credit risk with a single counterparty or group of counterparties. Failure or default of a major counterparty would have a material impact on earnings. The classes of assets described as Trade and Other Receivables (including contract assets) and Loans to Other Companies are considered to be main source of credit risk related to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 to 60 days from the invoice date.

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5.3 Financial Risk Management (continued)

Credit Risk (continued)

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

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries (refer Section 6.7 Parent Entity Disclosures for details).

Trade Receivables (including Contract Assets)

The Group applies the simplified approach to provide for the Expect Credit Loss ("ECL") for all trade receivables (including contract assets). The simplified approach required the loss allowance to be measured at an amount equal to the lifetime ECL.

The Group uses a provision matrix to measure the lifetime ECL allowance for trade receivables (including contract assets). In measuring the ECL, trade receivables (including contract assets) are grouped based on shared credit risk characteristics and days past due.

Internal Rating Grades	Definition	Basis for Recognition and Measurement of ECL
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-mth ECL
Under-Performing	There has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit-impaired)
Non-Performing	There is evidence indicating that the asset is credit-impaired	Lifetime ECL (credit-impaired)

In calculating the ECL rates, the Group considers historical loss rates for each category of customers and adjust for forward looking macroeconomic data.

The Group considers the trade receivables as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet their obligations. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cash flow. When trade receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the debts. Where recoveries are made, these are recognised in profit or loss.

Receivables for which an impairment/expected credit loss provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

The creation and release of the provision for impaired and expected credit loss receivables has been shown separately in the consolidated statement of profit or loss.

The Group's credit risk exposure in relation to Trade Receivables at 30 June 2022 is set out in Section 4.1. Trade and other receivables that remain within initial trade terms are considered to be of acceptable quality and fully recoverable.

On 26 October 2021, MACA entered into a binding agreement for the disposal of Bluff PCI Mine, one of the securities pledged for the loan facility to Carabella Resources Pty Ltd ("Carabella"), to Bowen Coking Coal Ltd ("Bowen"). The agreement provided a settlement through both cash and shares issued by Bowen totalling \$5m and a royalty, based on the selling price and sales volume, over the lifetime of the mine from Bowen. Further on 24 June 2022 the court ordered the transfer of 100% of the existing fully paid shares in Wealth Mining Pty Ltd, the owner of Grosvenor West Tenements, to MACA. Management intends to dispose of the royalty from the future coal sales and Grosvenor West Tenements to recover the remaining outstanding trade and loan amounts made to Carabella totalling \$31.7m as at 30 June 2022.

As a result, the outstanding amounts of \$31.7m have been transferred to the assets held for sale which consist of Grosvenor West Tenements and Royalty in Note 4.3.

Management has assessed all trade receivables and identified and impaired \$267k through profit and loss. Management's assessment concluded that all other trade receivables were not subject to material credit loss. There has been no change in the estimation techniques or significant assumptions made during the financial period.

MACA Limited

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For the Year Ended 30 June 2022

5.3 Financial Risk Management (continued)

Credit Risk (continued)

		30 June 2022 \$'000	30 June 2021 \$'000
Provision for Impairment and Expected Credit Losses of Trade Receivables	Section		
Opening Balance		981	48,415
Provision (reversed) / recognised during the year		-	4,202
Receivables written off during the year as uncollectable		(981)	(51,636)
Closing Balance	4.1	-	981

Other Receivables

The Group applies the general approach to provide for the ECL for other receivables. Under the general approach, the loss allowance is measured at an amount equal to the 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

Credit risk related to balances held with banks and other financial institutions are only invested with counterparties with a Standard & Poor's rating of at least AA-.

Liquidity Risk

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

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

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

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

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

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

5.3 Financial Risk Management (continued)

Liquidity Risk (continued)

Financial Liability and Financial Asset Maturity Analysis	Section	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
		‘000	‘000	‘000	‘000	‘000	‘000	‘000	‘000
Financial Liabilities Due for Payment									
Trade and Other Payables	4.7	242,106	285,122	-	-	-	-	242,106	285,122
Interest Bearing Liabilities	5.2.1	104,311	97,331	181,333	205,240	-	-	285,644	302,571
Total Contractual Outflows		346,417	382,453	181,333	205,240	-	-	527,750	587,693
Total Expected Outflows		346,417	382,453	181,333	205,240	-	-	527,750	587,693
Financial Assets - Cash Flows Realisable									
Cash and Cash Equivalents	5.1.1	91,582	122,346	-	-	-	-	91,582	122,346
Trade and Other Receivables	4.1	278,607	279,789	7,281	9,469	-	-	285,888	289,258
Investments and Loan Receivables	4.1	6,939	30	1,267	26,841	-	-	8,206	26,871
Total Anticipated Inflows		377,128	402,165	8,548	36,310	-	-	385,676	438,475
Net (Outflow) / Inflow on Financial Instruments		30,711	19,712	(172,785)	(168,930)	-	-	(142,074)	(149,218)

All financial assets have been pledged as security under Commonwealth Bank of Australia facility agreement.

Market Risk

Interest Rate Risk

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

	Floating Interest Rate		Fixed Interest Rate				Non-interest Bearing		Total		Weighted Average Effective Interest Rate	
			Within 1 Year		1 to 5 Years							
	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000	2022 %	2021 %
Financial Assets												
Cash	91,582	122,346	-	-	-	-	-	-	91,582	122,346	0.20	0.10
Trade and Other Receivables	-	-	-	-	-	-	285,888	289,258	285,888	289,258	N/A	N/A
Loans to Other Companies	-	-	-	-	-	26,841	-	-	-	26,841	N/A	9.00
Total Financial Assets	91,582	122,346	-	-	-	26,841	285,888	289,258	377,470	438,445		
Financial Liabilities												
Interest Bearing Liabilities	91,000	117,000	78,311	71,331	116,333	114,240	-	-	285,644	302,571	3.89	3.15
Trade and Other Payables	-	-	-	-	-	-	242,106	285,122	242,106	285,122	N/A	N/A
Total Financial Liabilities	91,000	117,000	78,311	71,331	116,333	114,240	242,106	285,122	527,750	587,693		

MACA Limited

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For the Year Ended 30 June 2022

5.3 Financial Risk Management (continued)

Price Risk

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

Foreign Exchange Risk

The Group is exposed to fluctuations in foreign currencies. The currency exposure relates to Brazilian Real and US Dollar being cash in bank, trade receivables subject to repayment and intercompany loan. Both Brazilian Real and US Dollar are unhedged. The original investment into the Brazilian subsidiary is exposed to fluctuations in the Brazilian Real. On 21 January 2020, the Group announced its decision to cease the operations in Brazil, which resulted in the realisation of the foreign currency translation reserve to income statement. The operations in Cambodia are denominated in USD and commenced during the FY21.

Summarised Sensitivity Analysis

The following illustrates sensitivities to the Group's exposures to changes in interest rates, foreign exchange and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of the other variables.

	Profit	Equity
Year ended 30 Jun 2022	\$'000	\$'000
+/- 2% in Interest Rates	+/-3,881	+/-3,881
+/- 10% in the Value of Listed Investments	+/- 694	+/- 694
+/- 10% in AUD/BRL Exchange Rate	+/- 163	+/- 160
+/- 10% in AUD/USD Exchange Rate	+/-1,100	+/-1,100
Year ended 30 Jun 2021		
+/- 2% in Interest Rates	+/-3,068	+/-3,068
+/- 10% in the Value of Listed Investments	+/- 3	+/- 3
+/- 10% in AUD/BRL Exchange Rate	+/- 367	+/- 392
+/- 10% in AUD/USD Exchange Rate	+/-1,787	+/-1,787

5.4 Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

5.4 Financial Instruments (continued)

Classification and subsequent measurement

Financial Liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial Assets

Financial Assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial assets; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

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For the Year Ended 30 June 2022

5.4 Financial Instruments (continued)

Financial Assets (continued)

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group’s accounting policy.

De-recognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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Sections to the Financial Statements

For the Year Ended 30 June 2022

5.4 Financial Instruments (continued)

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

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5.5 Fair Value Measurements

The Group measures and recognises only the shares in listed and unlisted companies at fair value on a recurring basis after initial recognition.

The Group does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2022			
Consolidated Group	Section	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets at fair value through income and loss:					
- shares in listed companies	4.1	6,939	-	-	6,939
- shares in unlisted companies	4.1	-	1,267	-	1,267
Total		6,939	1,267	-	8,206

MACA Limited

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For the Year Ended 30 June 2022

5.5 Fair Value Measurements (continued)

		30 June 2021			
		Level 1	Level 2	Level 3	Total
Consolidated Group	Section	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Financial assets at fair value through income and loss:					
- shares in listed companies	4.1	30	-	-	30
Total		30	-	-	30

There were no transfers between Levels 1 and Level 2 for recurring fair value measurements during the 2022 and 2021 financial years.

a. Valuation inputs and relations to fair value

Changes in the fair value of unlisted equity securities are analysed at least each reporting period and any fair value movements are based on recent transactions of the unlisted equity securities, considering the financial information and performance of the unlisted equity securities.

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5.6 Equity

	30 June 2022 No.	30 June 2021 No.	30 June 2022 \$'000	30 June 2021 \$'000
Issued Capital - Ordinary Shares				
At the Beginning of the Reporting Period	341,710,846	268,007,708	342,267	269,806
Shares Issued During the Year (net of costs)				
- 23 December 2020 @ \$1.02 per share	-	58,530,982	-	57,544
- 15 January 2021 @ \$1.02 per share	-	15,172,156	-	14,917
At the End of the Reporting Period	341,710,846	341,710,846	342,267	342,267

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.

Performance Rights

For information relating to performance rights, including details of performance rights issued, exercised and lapsed during the financial year, refer to Section 5.9.

Capital Management

Management controls the capital of the Group in order to maintain a prudent debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		(Restated)* 30 June 2022 \$'000	30 June 2021 \$'000
	Section		
Total Borrowings	5.2.1	285,644	302,571
Less Cash and Cash Equivalents	5.1.1	(91,582)	(122,346)
Net Debt/(Cash)		194,062	180,225
Total Equity		402,294	383,073
Total Capital		596,356	563,298
Net Debt to Equity Ratio		48%	47%

* The comparative Equity as at 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Note 6.1 for details.

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Sections to the Financial Statements

For the Year Ended 30 June 2022

5.7 Reserves

Accounting Policies

Equity Settled Employee Benefits Reserve

The equity-settled employee benefits reserve relates to performance rights granted by the Company to its Executives and employees under its Employee Long-Term Incentive Plan. Rights granted during the year were made via an Employee Share Trust and as a result there was no movement in the Equity Settled Employee Benefits Reserve.

Foreign Operations

The financial transactions of foreign operations whose functional currency is different from the presentation currency are translated at the exchange rates prevailing at the date of the transaction. At the end of the reporting period, assets and liabilities are re-translated at the rates prevailing at that date. Income and expenses are re-translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Consolidated Statement of Financial Position. These differences are recognised in profit and loss in the period in which the operation is disposed or discontinued.

Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled operations are taken to the exchange fluctuation reserve. Gains or losses accumulated in equity are recognised in the income statement when a foreign operation is disposed or discontinued.

General Reserves

The general reserves represent funds associated with the acquisition of non-controlling interests of controlled entities from previous years.

	30 June 2022 \$'000	30 June 2021 \$'000
Reserves	Section	
Equity-Settled Employee Benefits Reserve	590	590
Foreign Currency Translation Reserve	1,299	-
General Reserves	(5,888)	(5,888)
Total Reserves	(3,999)	(5,298)
(a) General Reserves		
Balance at the Beginning of the Year	(5,888)	(5,888)
Transactions with Members	-	-
Balance at the End of the Year	(5,888)	(5,888)
(b) Foreign Currency Translation Reserve		
Balance at the Beginning of the Year	-	-
Exchange Differences Arising on Translating the Foreign Operations	1,299	-
Transfer of Forex Reserve on Discontinued Operations	-	-
Balance at the End of the Year	1,299	-

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5.8 Dividends

No final dividend has been declared in respect of FY22.

	30 June 2022		30 June 2021	
	Cents Per Share	\$'000	Cents Per Share	\$'000
Distributions Paid/Payable				
Interim Dividend in respect of FY22/FY21	2.5	8,543	2.5	8,543
Final Dividend in respect of FY22/FY21	-	-	2.5	8,543
Total	2.5	8,543	5.0	17,086
Balance of franking account at year end		57,836		54,133

5.9 Share-Based Compensation

Options

There were no options issued for the year ended 30 June 2022. The weighted average fair value of options granted during the previous year was Nil.

Performance Rights

The Company issues performance rights to Senior executives in accordance with the terms of the Long-Term Incentive Plan and the Performance Rights Plan as approved by Shareholders. When vested, each performance right is converted into one ordinary share for no consideration. Performance rights granted carry no dividend or voting rights.

During the 2022 financial year 1,591,349 (2021: 2,843,084) performance rights were granted under the Group's Performance Rights Plan and 1,161,085 (2021: 1,529,493) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2024. As at 30 June 2022 there were 4,434,433 (2021: 4,004,169) performance rights outstanding.

The following performance rights arrangement was in existence at 30 June 2022:

	Number	Expiry Date
Unlisted Performance Rights	2,843,084	30-Jun-23
Unlisted Performance Rights	1,591,349	30-Jun-24
	30 June 2022	30 June 2021
	Number	Number
Outstanding at the Beginning of the Year	4,004,169	2,690,578
Granted	1,591,349	2,843,084
Vested	-	-
Cancelled or Expired	(1,161,085)	(1,529,493)
Outstanding at the End of the Year	4,434,433	4,004,169

An independent valuation was completed on performance rights granted during the year. Market based vesting conditions were valued using a hybrid share option pricing model that simulates the share price of the Company as at the test date using a Monte-Carlo simulation model. For non-market based vesting conditions no discount was made to the underlying valuation model.

The weighted average fair value of the performance rights granted during the year ended 30 June 2022 was \$0.43 per right. Payments were made to the MACA ERT Trust for delivery of shares under the Performance Rights Plan. Inputs used to determine the fair value of performance rights granted during the year ended 30 June 2022 were:

- Share price \$0.808 being the 30 day VWAP of the Company on the last trading day prior to 30 June 2021
- Exercise price: Nil
- Volatility: 50.31%
- Option life: 3 years
- Dividend yield: 7.2%
- Risk Free Rate 0.20%

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

Section 6 Other

6.1 Business Combinations

Accounting Policies

Business combinations occur where an acquirer obtains control over one or more businesses, and is to be completed within a 12 month period.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. 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 liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase. The gain from a bargain purchase is recognised in profit or loss immediately and is not deductible for tax purpose.

Change in Fair Value of Mining West Business During the Measurement Period

On 1 February 2021, MACA acquired Mining West Business for a total consideration of \$175m at which time the value of the assets acquired and liabilities assumed were recognised. During the measurement period, the fair value of the certain assets acquired has been amended and the retrospective impact on the financial statements is summarised below. Under AASB 3: Business Combinations, acquirers have a 12 month "measurement period" from the original acquisition date to finalise or adjust the assets and liabilities acquired.

	Original fair value at 1 February 2021 \$'000	Final fair value at 1 February 2021 \$'000
Purchase Consideration - Cash	175,000	175,000
Less:		
- Inventory	40,004	40,004
- Debtors subject to Payment Arrangements	11,315	11,315
- Plant & Equipment	135,375	135,375
- Deferred Tax Asset	5,010	-
- Employee Entitlements	(16,704)	(16,705)
- Intangible - Customer Contracts	4,535	4,535
Identifiable Assets Acquired and Liabilities Assumed	179,535	174,524
Goodwill / (Gain) on Business Combination	(4,535)	476

As a result of the above re-measurement during the period, the following non-cash changes have been retrospectively adjusted in the 30 June 2021 comparatives as follows:

(a) Consolidated Statement of Profit or Loss and Other Comprehensive Income

	As previously reported \$'000	Adjustments \$'000	As restated \$'000
For the year ended 30 June 2021			
Gain on Business Combination	4,535	(4,535)	-
Profit Before Income Tax	36,448	(4,535)	31,913
Profit After Tax from Continuing Operations	25,202	(4,535)	20,667
Profit / (Loss) for the Year (Continuing and Discontinued Operations)	20,730	(4,535)	16,195

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

6.1 Business Combinations (continued)

Change in Fair Value of Mining West Business During the Measurement Period (continued)

(b) Consolidated Statement of Financial Position

	As previously reported \$'000	Adjustments \$'000	As restated \$'000
Balances as at 30 June 2021			
Intangible Assets	3,663	476	4,139
Deferred Tax Assets	28,417	(5,011)	23,406
Non-Current Assets	548,344	(4,535)	543,809
Total Assets	1,008,841	(4,535)	1,004,306
Net Assets	387,608	(4,535)	383,073
Retained Profits	45,322	(4,535)	40,787
Parent Interest	382,291	(4,535)	377,756
Total Equity	387,608	(4,535)	383,073

No business combination in FY22.

6.2 Controlled Entities

Details of the Company's subsidiaries at the end of the reporting period are as follows:

	Country of Incorporation	Percentage Owned (%)	
		30 June 2022	30 June 2021
Parent Entity:			
MACA Limited	Australia	-	-
Subsidiaries:			
MACA Mining 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%	100%
Alliance Contracting Pty Ltd	Australia	100%	100%
MACA Infrastructure Pty Ltd	Australia	100%	100%
MACA Resources Pty Ltd	Australia	100%	-
Marniyarra Mining and Civils Pty Ltd	Australia	50%	50%
Interquip Pty Ltd	Australia	60%	60%
Interquip Construction Pty Ltd*	Australia	60%	60%
OPMS Cambodia Co Ltd	Cambodia	100%	100%

*Interquip Construction Pty Ltd wholly owned by Interquip Pty Ltd

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

6.3 Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Information about Joint Operations

MACA Civil Pty Ltd ("Company") holds a 9.4% interest in South West Gateway Alliance ("Joint Operation"), a joint arrangement structured as a strategic partnership between the Company, Acciona Construction Australia Pty Ltd, Aurecon Australasia Pty Ltd and NRW Contracting Pty Ltd. The principal place of business of Joint Operation is Bunbury, Western Australia and the primary purpose of the joint arrangement is to facilitate the road design and construction services on behalf of the joint operators. The arrangement also enables the parties to source materials for their respective manufacturing processes that meet their individual specifications. Under the Joint Operation agreement, the Company has a 9.4% direct interest in all of the assets used, the revenue generated and the expenses incurred by the joint arrangement. The Company is also liable for 9.4% of any liabilities incurred by the joint arrangement. In addition, pursuant to the joint Operation agreement, the Company has 9.4% of the voting rights in relation to the Joint Operation.

MACA Civil Pty Ltd ("Company") holds a 50% interest in Bocol MACA Joint Venture ("Joint Operation"), a joint arrangement structured as a strategic partnership between the Company and Bocol Constructions Pty Ltd. The principal place of business of the Joint Operation is Perth, Western Australia and the primary purpose of the joint arrangement is to facilitate design and construction of public bridge and road structures on behalf of the joint operators. The arrangement also enables the parties to source materials for their respective manufacturing processes that meet their individual specifications. Under the Joint Operation agreement, the Company has a 50% direct interest in all of the assets used, the revenue generated and the expenses incurred by the joint arrangement. The Company is also liable for 50% of any liabilities incurred by the joint arrangement. In addition, pursuant to the Joint Operation agreement, the Company has 50% of the voting rights in relation to the Joint Operation.

South West Gateway Alliance and Bocol MACA Joint Venture are contractually established entities and are classified as joint operation. Accordingly, the Company's interests in the assets, liabilities, revenues and expenses attributable to the joint arrangements have been included in the appropriate line items in the consolidated financial statements.

The Group's share of the assets employed the Joint Operations that are included in the consolidated financial statements are as follows:

	30 June 2022			30 June 2021		
	South West Gateway Alliance \$'000	Bocol MACA \$'000	Total \$'000	South West Gateway Alliance \$'000	Bocol MACA \$'000	Total \$'000
Current Assets						
Trade and Other Receivables	22,662	-	22,662	6,667	447	7,114
Work In Progress	(1,782)	-	(1,782)	(1,451)	282	(1,169)
TOTAL CURRENT ASSETS	20,880	-	20,880	5,216	729	5,945
Current Liabilities						
Trade and Other Payables	19,167	-	19,167	4,764	99	4,863
Net interest in Joint Operations	1,713	-	1,713	452	630	1,082

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

6.4 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

Information regarding individual directors or executives remuneration is provided in the Remuneration Report included in the Director's Report.

The total of remuneration paid to KMP's of the Group during the year was as follows:

	30 June 2022 \$'000	30 June 2021 \$'000
Short-Term Employee Benefits	2,380	2,413
Post-Employment Benefits	106	99
Other Long-Term Benefits	-	-
Long-Term Incentive Payments	511	335
Total Remuneration	2,997	2,847

Controlled Entities

Interests in controlled entities are set out Section 6.2.

During the year, funds have been advanced between entities within the Group for the purposes of working capital requirements.

Other Related Parties

Other related parties include entities over which key management personnel exercise significant influence.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key Management Person and/or Related Party	Transaction	30 June 2022 \$'000	30 June 2021 \$'000
Partnership of which current director Mr G.Baker is a 25% partner.	Rent on Division St Business premises.	1,624	1,578
Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G.Baker's Family Trust is a 20% beneficial shareholder.	Hire of equipment and purchase of equipment, parts and services.	4,824	5,852
Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G.Baker's Family Trust is a 20% beneficial shareholder.	Sale of equipment (Revenue)	150	-

Amounts payable at year end arising from the above transactions

Gateway Equipment Parts & Services Pty Ltd - a company of which current director Mr G.Baker's Family Trust is a 20% beneficial shareholder.	202	920
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MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

6.5 Contingent Liabilities

Performance Guarantees

MLD has indemnified its bankers and insurance bond providers in respect of bank guarantees, insurance bonds and letters of credit to various customers and suppliers for satisfactory contract performance and warranty security, in the following amounts:

30 Jun 2022:	\$36.5 million	30 Jun 2021:	\$29.1 million
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Claims

Certain claims arising out of engineering and construction contracts have been made by, or against, controlled entities in the ordinary course of business. The Directors do not consider the outcome of any of these claims will be materially different to the position taken in the financial accounts of the Group.

6.6 Events After Balance Sheet Date

The Directors have elected not to pay a final dividend.

Subsequent to the year end, the following matters have been announced by the Group:

- Award of 3 civil contracts that comprise Rio Tinto Western Range Project Early Works, MRPV Hall Road Upgrade and Roy Hill Civil Works with a total value of approximately \$115 million;
- Mr Michael Sutton resigned as Managing Director and Chief Executive Officer of MACA effective on 22 July 2022. Mr David Greig has been appointed to the role of Chief Executive Officer;
- On 26 July 2022, MACA entered into a Bid implementation Deed ('BID') with Thiess Group Investments Pty Ltd ("Thiess"), under which Thiess has agreed to make an off-market takeover offer to MACA shareholders at the consideration of \$1.025 cash per share for each MACA Share. The Directors of MACA unanimously recommend the offer in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Offer is fair and reasonable (or not fair but reasonable) to the MACA shareholders. The Target's Statement is expected to be dispatched to MACA Shareholders in or around late August 2022. The offer is subject to certain conditions outlined in the BID;
- On 19 August 2022, MACA announced its assessment of the non-binding, conditional and indicative proposal received from NRW Holdings Limited ("NRW"), for the acquisition of all MACA shares by way of a scheme of arrangement. After careful consideration of the NRW Indicative Proposal as a whole, and of each of its components, and after taking professional advice and liaising confidentially with NRW, the MACA Board unanimously concluded that the NRW Indicative Proposal is not superior to the existing conditional off-market takeover offer from Thiess to acquire all MACA shares. MACA informed NRW that if NRW could remove or reduce the risks that the NRW Indicative Proposal asked MACA shareholders to assume and increase the total consideration offered, then MACA considered that there was a basis for further discussion, and would have welcomed such discussion (refer to the market announcement on 19 August 2022 for further details).

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has 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.

MACA Limited

Sections to the Financial Statements

For the Year Ended 30 June 2022

6.7 Parent Entity Disclosures

The following information has been extracted from the books and records of the Company and has been prepared in accordance with Accounting Standards.

	30 June 2022 \$'000	30 June 2021 \$'000
Statement of Financial Position		
Assets		
Current Assets	22,189	18,173
Total Assets	458,431	449,790
Liabilities		
Current Liabilities	4,699	2,529
Total Liabilities	5,949	2,529
Equity		
Issued Capital	434,790	434,790
Reserves	591	591
(Accumulated Losses) / Retained Profits	17,101	11,880
Total Equity	452,482	447,261
Statement of Financial Performance		
Profit / (Loss) For the Year (Including Intercompany Dividends)	22,307	12,720
Total Comprehensive Income	22,307	12,720

Guarantees

MACA Limited has entered into guarantees for certain equipment finance facilities and loan in FY2021, in relation to the debts entered into by its subsidiaries.

Shareholder Information

As at 31 July 2022

Numbers of Holders of Equity Securities

Ordinary Share Capital

341,710,846 fully paid ordinary shares are held by 8,994 individual shareholders.

Listed Options

There are no listed options.

Unlisted Options

There are no unlisted options

Distribution of Shareholdings

Range	Total holders	Units	% Units
1 - 1,000	1,339	859,981	0.25
1,001 - 5,000	3,226	9,153,319	2.68
5,001 - 10,000	1,744	13,155,967	3.85
10,001 - 100,000	2,478	66,828,878	19.56
100,001 Over	207	251,712,701	73.66
Total	8,994	341,710,846	100.00

Substantial Share and Option Holders

An extract of the Company's register of substantial shareholders (who held a relevant interest in 5% or more of issued capital is set out below:

Name	Units	% Units
Mr Kenneth Rudy Kamon	21,856,681	6.4%
Dimensional Entities, being various entities and persons associated with Dimensional Fund Advisors	20,568,160	6.0%
Samuel Terry Asset Management Pty Ltd	17,413,222	5.1%

There were no substantial option holders listed in the Company's register as at 31 July 2022.

Other Information

The voting rights attached to ordinary shares are governed by the Constitution of the Company. On a show of hands every person present who is a Member or representative of a Member shall have one vote on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

Unmarketable Parcels

As at 31 July 2022 there were 307 holders who held shares that were unmarketable parcels.

MACA Limited

Annual Financial Statements for the year ended 30 June 2022

MACA's Top Twenty Shareholders

Name	Units	% Units
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	39,033,776	11.42
CITICORP NOMINEES PTY LIMITED	38,434,560	11.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,629,763	10.72
MR KENNETH RUDY KAMON	21,856,681	6.40
GEMBLUE NOMINEES PTY LTD	12,863,816	3.76
MR FRANCIS JOSEPH MAHER + MS SHARON JANE MAHER	11,800,000	3.45
BNP PARIBAS NOMINEES PTY LTD	10,038,079	2.94
MR KENNETH JOSEPH HALL	5,210,000	1.52
NATIONAL NOMINEES LIMITED	5,176,623	1.51
AIGLE ROYAL SUPERANNUATION PTY LTD	5,000,000	1.46
MR JAMES EDWARD MOORE + MS JULIA CATHERINE MOORE	4,606,250	1.35
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,106,047	0.91
BNP PARIBAS NOMS PTY LTD	2,551,215	0.75
BNP PARIBAS NOMINEES PTY LTD	2,217,945	0.65
COMSEC NOMINEES PTY LIMITED	2,098,382	0.61
MR FRANCIS JOSEPH MAHER + MRS SHARON JANE MAHER	1,837,500	0.54
MRS TINA LOUISE HARDY	1,467,412	0.43
PRIME VALUE ASSET MGMT LTD ATF PRIME VALUE SIV EMG CO PROT FD	1,080,345	0.32
MR CHRISTOPHER MARK TUCKWELL	1,024,737	0.30
TOM HADLEY ENTERPRISES PTY LTD	1,000,000	0.29
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	207,033,131	60.59
ORDINARY FULLY PAID SHARES ON ISSUE	341,710,846	100.00

Restricted Securities

There were no restricted securities at the date of this report

Voting Rights

Ordinary Shares: For all ordinary shares, voting rights are on a show of hands whereby every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Other Information

MACA Limited is incorporated and domiciled in Australia and is a publicly listed company limited by shares.

Company Details

The registered office is:

MACA Limited

45 Division Street

Welshpool, Western Australia, 6106

The principal place of business is:

MACA Limited

45 Division Street

Welshpool, Western Australia, 6106

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MACA LIMITED****Moore Australia Audit (WA)**

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REPORT ON THE AUDIT OF THE FINANCIAL REPORT**Opinion**

We have audited the financial report of MACA Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence and Ownership of Assets – Inventories and Plant & Equipment	
Refer to Notes 4.2 “Inventories” and 4.5 “Property, Plant and Equipment”	
<p>Existence and ownership of inventories and plant & equipment are key audit matters.</p> <p>It is due to the material balances and location of these assets that this is a key area of audit focus.</p> <p>Most of the Group’s plant and equipment are located at remote sites mainly across Western Australia (WA), Victoria and Cambodia. Similarly, inventories are held at these sites as well as holding facilities in Perth/Northam, WA</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We agreed a sample of inventories and plant & equipment additions to supplier invoices including capital expenditure request Forms (for appropriate authority). • We agreed a sample of plant and equipment to hire purchase financing agreements. • We agreed a sample of inventories and plant/equipment to date-stamped photography taken by senior MACA personnel in remote sites. • We attended physical stock counts of inventories held in Perth/Northam & obtained confirmation of stocks held by a third party.

Impairment Assessment of Property Plant & Equipment	
Refer to Note 4.5 “Property, Plant and Equipment”	
Refer to Section 2 Key Estimates & Judgements – “Impairment of Property, Plant & Equipment”	
<p>Property, plant and equipment (“PPE”) represents the Group’s largest asset with a carrying book value of approximately \$440 million. Given the Group’s net asset position exceeded its market capitalisation at balance date, an impairment trigger event has arisen under AASB 136 Impairment.</p> <p>As a result, an impairment assessment has been made by management of the recoverable amounts of each of the Group’s operating segments or Cash Generating Units (CGUs). An impairment is recognised if the carrying amount of the Group’s PPE is less than its recoverable amounts, being the <i>higher</i> of fair value less costs of disposal and value-in-use (VIU).</p> <p>During the year, a valuation appraisal for a substantial number of the Group’s PPE was undertaken by an independent expert.</p> <p>The impairment assessment undertaken for both VIU and Fair Value approaches has resulted in no impairment to the PPE employed in all CGUs.</p> <p>The recoverable amount of the Group’s PPE were key audit matters due to the significant judgment involved in forecasting future cash flows and the selection of assumptions adopted by management and by the independent expert.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Evaluating the value-in-use (VIU) discounted cash flow model developed by management to assess the recoverable amount of the underlying assets including assessing the reasonableness of the key assumptions: <ul style="list-style-type: none"> - discount & growth rates - forecast cash flows and capital expenditure - terminal growth rate • Where possible, we corroborated assumptions by reference to external data and contracts awarded to-date • Checking the mathematical accuracy of the cash flow models & reviewing the sensitivity analysis performed under the impairment model for reasonableness • Reviewing the independent valuation appraisal report which placed a higher value of the appraised assets compared to their respective year-end carrying amounts. We assessed the valuer’s methodology, assumptions, objectivity, accreditations/qualifications for reasonableness. • Assessing the appropriateness of the relevant disclosures in the financial statements

Key Audit Matters (continued)

Recognition of Revenue	
Refer to Note 3.1 "Revenue and Other Income"	
<p>The Group's revenue is predominantly derived from the rendering of mining and other services, all of which are based on contracts which determine the services, products and rates to be charged.</p> <p>The accurate recording of revenue is highly dependent upon the following key factors:</p> <ul style="list-style-type: none"> • Knowledge of the individual characteristics and status of contracts • Management's invoicing process including: <ul style="list-style-type: none"> – accurate measurement of work-done and services provided each month – invoices prepared in compliance with contract terms such as services performed & rates charged – by reference to the stage of completion of the contract activity (using the input method under AASB 15) at balance date for civil/infrastructure works. • Recognition of variations and claims, in accordance with contractual terms and based on an assessment as to when the Group believes it is highly probable that a significant reversal in the amount of revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed. <p>The above determinations will also impact on account balances such as Contract Assets (Work in Progress/WIP), Accrued Income and Unearned Revenue</p> <p>We focused on this matter as a key audit matter due to the significance of contract-based revenue to the Group combined with the need to comply with a variety of contractual conditions, leading to judgemental risk associated with revenue recognition.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We evaluated management's processes regarding existence and valuation of the Group's contract revenues. We tested internal controls in relation to preparation and authorisation of monthly revenue invoices for compliance with the Group's policy relating to revenue recognition • We selected a sample of sales invoices raised during the year (and post year-end) and performed the following procedures: <ul style="list-style-type: none"> – agreed to contractual terms – agreed to general ledger accounts and subsequent receipts from the customer – for variations or claims, we checked they were in accordance with contract terms and evaluated for risk of non-recovery – revenue cut-off testing • We evaluated and tested, on a sample basis, inputs such as materials, subcontractors etc used by management in their estimation of total costs to complete • We recomputed the percentage of completion based on actual cumulative contract costs incurred to-date to the total estimated contract costs for individually significant projects. • We evaluated contract performance during and post year-end up to audit opinion date to reflect on year-end revenue recognition judgements. As part of this process, we challenged the appropriateness of variations and claims included in the computation of contract revenue and whether it is highly probable that the revenue recognised will not subsequently be reversed • We also reviewed and assessed the adequacy of the disclosures in relation to key accounting estimates

Key Audit Matters (continued)

Valuation of Receivables / Assets Held for Sale	
Refer to Notes 4.1 & 4.3 "Trade and Other Receivables" and "Assets Held for Sale"	
Refer to Note 5.3 "Financial Risk Management"	
<p>Valuation of receivables and assets held for sale are key audit matters.</p> <p>It is due to the size of the account balances and the judgements required in determining their carrying values that these are key areas of audit focus.</p> <p>Trade and other debtors amounted to a total of \$286 million at 30 June 2022. The Group assesses periodically and at each year-end the expected credit loss ("ECL") associated with its receivables.</p> <p>Assets Held for Sale of \$32 million are measured at the carrying amount of the historical trade and secured loan receivable from Carabella Resources Pty Ltd ("Carabella"). The underlying assets include mining tenements (previously secured against the loan) now controlled by MACA and royalty from future coal sales under the terms of the sale agreement with Bowen Coking Coal Ltd ("Bowen") for the Bluff Coal Project during the year.</p> <p>The valuation of the mining tenements was subject to an independent expert valuation whilst the internal valuation of the royalty is based on the production and sale commitment by Bowen and forecast market price for PCI coal discounted by a weighted average cost of capital.</p> <p>The ECL / valuation assessment undertaken above has resulted in no adjustments to either trade/other receivables or assets held for sale.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Review of subsequent sales invoices and related claim documentation in respect of accrued revenue. Review of subsequent receipt collections from debtors. • Review of AASB 9 ECL workings and assessments prepared by management in relation to trade and other receivables. • Discussion with management and the directors as to the existence of any arrears with trade debtors and the impact these factors have had on the assessment and adequacy of the ECL assessment undertaken and consideration of any impairment provision to be recognised. • Assessment of the financial viability and future prospects of debtors based on publicly available information and other information available to the Company. • Review classification of receivables between current and non-current ensuring that classification reflects the agreements entered into with customers. • An evaluation of management's conclusions on the classification of the assets held for sale and performing procedures to ensure these assets are carried at lower of carrying value and fair value less costs to sell in terms of AASB 5: Non-Current Assets Held for Sale. • With the valuation of the mining tenements held for sale, we evaluated the competence, accreditation/capabilities and objectivity of the independent expert. • With the royalty held for sale, we evaluated the assumptions and methodology used in management's valuation model to ensure they were consistent with the agreement with Bowen, their publicly released production estimates for Bluff Coal & other forecast information. We assessed the mathematical accuracy of the model and challenged management, primarily on their assumptions applied and verified key inputs to external sources where applicable. • Review of disclosures made in the notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2021.pdf. This description forms part of our audit report.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of MACA Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



SL TAN
PARTNER

Signed at Perth on the 22nd day of August 2022



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

APPENDIX 4E

ABN or equivalent company reference

42 144 745 782

Financial year ended ('current period')

30th June 2022

Financial year ended ('previous period')

30th June 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 JUNE 2022 \$'000	(Restated)* 30 JUNE 2021 \$'000	% change	
<u>ORDINARY ACTIVITIES</u>				
Revenue	1,650,522	1,173,920	Up	41%
EBITDA	190,865	139,515	Up	37%
EBIT	62,504	40,355	Up	55%
Net Profit / (Loss) Before Tax	51,982	31,913	Up	63%
Net Profit / (Loss) After Tax	37,577	20,667	Up	82%
<u>DISCONTINUED OPERATIONS</u>				
Revenue	-	-	-	-
EBITDA	(1,626)	(3,677)	Up	56%
EBIT	(1,892)	(4,682)	Up	60%
Net Profit / (Loss) Before Tax	(1,769)	(4,472)	Up	60%
Net Profit / (Loss) After Tax	(1,769)	(4,472)	Up	60%
<u>TOTAL</u>				
Revenue	1,650,522	1,173,920	Up	41%
EBITDA	189,239	135,838	Up	39%
EBIT	60,612	35,673	Up	70%
Net Profit / (Loss) Before Tax	50,213	27,441	Up	83%
Net Profit / (Loss) After Tax	35,808	16,195	Up	121%
Profit after tax from ordinary activities attributable to members	44,534	18,883	Up	136%
Net profit for the period attributable to members	42,765	14,411	Up	197%

* The comparative figures have been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations.

DIVIDENDS

The final dividend for the year 30th June 2022 is \$nil per share

Record date for determining entitlements to the final dividend	N/A
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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	-	-	-	-
Previous year	17 th September 2021	2.5 cents	2.5 cents	-
Interim Dividend:				
Current year	17 th March 2022	2.5 cents	2.5 cents	-
Previous year	18 th March 2021	2.5 cents	2.5 cents	-
Total:				
Current year	-	2.5 cents	2.5 cents	-
Previous year	-	5.0 cents	5.0 cents	-

Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

NET TANGIBLE ASSETS PER SHARE

	30 JUNE 2022	30 JUNE 2021
Net tangible asset backing per ordinary security^	108.8 cents	104.4 cents

^includes right of use assets

CONTROL GAINED OVER ENTITIES

Name of entity (or group of entities)	MACA Resources Pty Ltd
Date control gained	1st July 2021

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).	-

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of entity (or group of entities)	Nil
Date of joint venture	Nil

COMMENTARY ON RESULTS FOR THE YEAR

A commentary for the results for the year is contained in the Annual Financial Statements dated 22nd August 2022.

STATEMENT OF COMPLIANCE IN REGARDS TO AUDIT

This report is based on accounts that have been audited.

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



David Greig
Chief Executive Officer

Dated at PERTH this 22nd day of August 2022.