maca
Limited

MACA LIMITED

ANNUAL REPORT 2020

CORPORATE DIRECTORY

MACA LIMITED
ABN 42 144 745 782

DIRECTORS
Andrew Edwards
Non-Executive Chairman

Mike Sutton
Chief Executive Officer & Managing Director

Geoff Baker
Executive Director

Linton Kirk
Non-Executive Director

Robert Ryan
Non-Executive Director

Peter Gilford
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

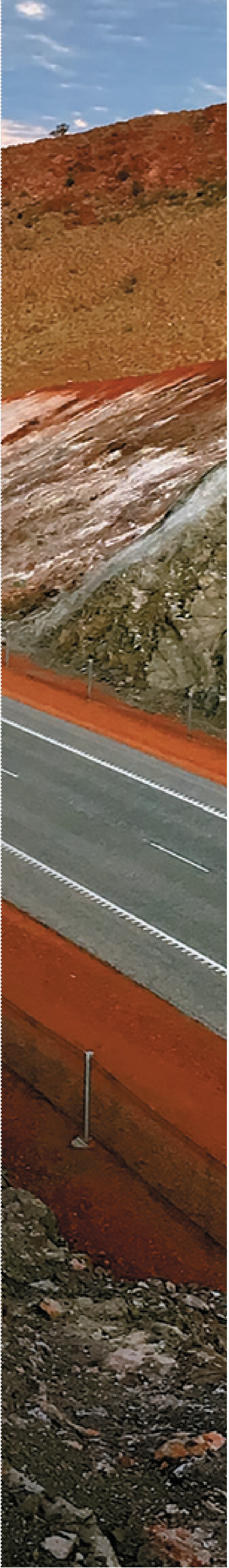
AUDITORS
Moore Australia Audit (WA)
Exchange Tower
2 The Esplanade
PERTH WA 6000

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

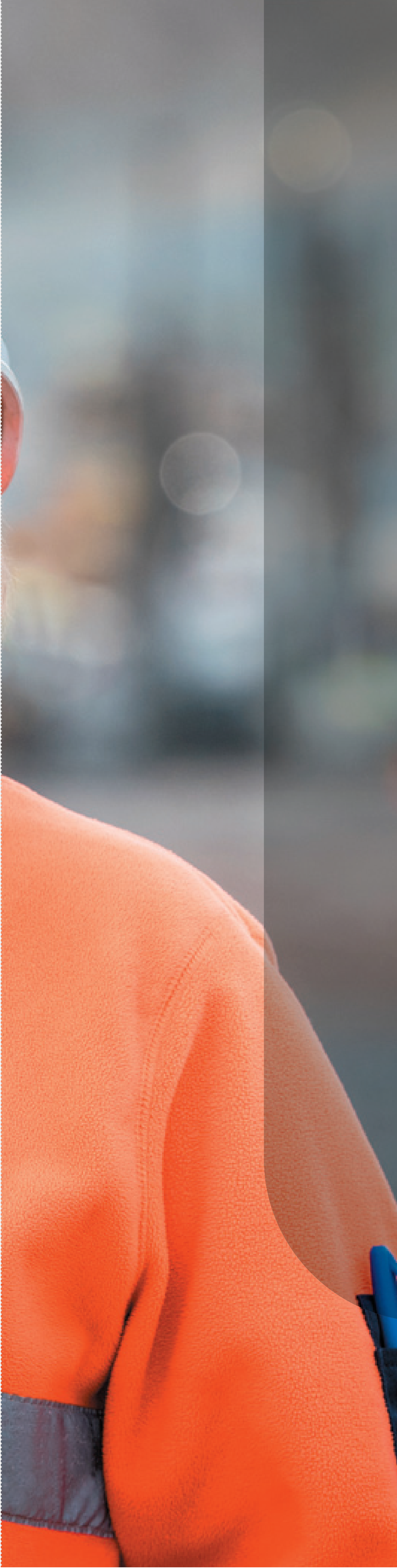
www.maca.net.au



CONTENTS

MACA is a publicly listed domestic and international contracting group providing services to the mining and construction industries

With our team of highly skilled and dedicated professionals, we provide tailored solutions to meet the need of all our clients and end-users



ABOUT US

OUR VISION

Be Number 1
in what we do

CORE VALUES

PEOPLE FIRST
We care for people and create a safe and enjoyable workplace.
We treat them fairly, with integrity, honesty and respect

EXCEED EXPECTATIONS
We strive to exceed expectations of our people, clients and shareholders

CONTINUOUS IMPROVEMENT
We are committed to being a better business through continuous improvement and innovation

COMMUNITY
We show leadership and take responsibility for our community

ACCOUNTABILITY
We are personally accountable for delivering on our commitments.
We do what we say

OUR PROMISE

We Care
We are Flexible
We Deliver

OUR OPERATING BUSINESSES

MINING AUSTRALIA

- Modern fleet of surface mining equipment
- Load & haul mining contracts
- Bulk overburden removal
- Modern fleet of proven drilling equipment
- Complete blasting service utilising latest technology
- Experience in gold, iron ore, lithium, coal, nickel and others

CRUSHING

- Modern fleet of crushing equipment including primary jaw crushers, secondary cone crushers and tertiary cone crushers
- Complete screening services utilising the latest technology with scalping screens, vibrating and fixed screens and single, double and triple deck screens

MINING INTERNATIONAL

- Equipment and operating techniques are used to meet client needs in diverse operating environments
- Load and haul
- Drill and blast
- International experience in gold and copper projects

CIVIL CONSTRUCTION

- Civil bulk earthworks for the private / resource sector including mining, TSF, road, airstrips, camp pads, borefield and camp infrastructure
- Public works civil capabilities include roads and bridges, bulk earthworks, aerodromes, drainage and marine works

INFRASTRUCTURE MAINTENANCE

- Infrastructure capabilities and experience includes roads maintenance and construction, parks and gardens, specialist services, verge works, bridge works and safety barriers
- Asset management and maintenance segments in Australia

MACA INTERQUIP

- Delivering small to large scale structural, mechanical and piping projects
- New and refurbished plant and equipment
- Consumables to the mineral processing sector of the resources industry
- Significant number of low to high lift cranes available

HISTORY

2002

Mining and Civil Australia was founded in WA

2003

Awarded first Mining Services contract

2004

Awarded 1st contract with Equigold (now Regis Resources)

2007

Awarded 1st Crushing and Screening contract

2010

Listed on ASX as MACA Limited

2011

Awarded 1st interstate Mining Services contract in South Australia

MACA Civil began providing Civil Infrastructure design & construction services

2014

Awarded 1st International Mining contract. Gold Project, Brazil

2016

Acquisition of Alliance Contracting, a small Mining Services business

2016

Established MACA Infrastructure and expanded the Civil and Infrastructure businesses into Victoria through the acquisition of local contractor Services South East

Acquired a 60% stake in MACA Interquip, and expanded Mining Services offering to include mineral processing solutions

2018

Awarded Bluff Coal contract in Queensland

2019

Commenced crushing contracts for BHP Iron Ore

2020

2000+ workforce, $800m+ turnover, $2.7b work in hand
Commencement of Ravensthorpe Project

EXECUTIVE LEADERSHIP TEAM

Back: *David Greig, Peter Gilford, Geoff Baker, Mike Sutton, Tim Gooch, Michael Hunt, Tony McClure*
Front: *Lance Matthews, Linda Devereux, Mark Davidovic, Adam Struthers*

Geoff Baker

Executive Director

Geoff is a founding shareholder of MACA and brings with him more than 40 years' experience in the mining and construction industries.

Mike Sutton

Chief Executive Officer & Managing Director

Mike is an experienced Civil Engineer with over 40 years' experience gained in various senior roles within the mining and civil contracting industries.

David Greig

Chief Operating Officer

David joined MACA in 2016 and has over 20 years' experience in the international mining, construction, maintenance and infrastructure industries.

Peter Gilford

Chief Financial Officer & Company Secretary

Peter has over 20 years' experience in the areas of financial management, accounting, business and taxation services and has been with MACA for over 13 years.

Linda Devereux

General Manager People & Safety

Linda joined MACA in 2019 and brings with her more than 20 years' experience in HR and Corporate Services from a diverse range of industries.

Tim Gooch

General Manager Mining

Tim joined MACA in 2011 and is an experienced mining engineer with over 30 years domestic and international mining experience.

Mark Davidovic

General Manager Civil & Infrastructure

Mark is a professional civil engineer with over 25 years' experience in the resources and public infrastructure development sectors.

Tony McClure

General Manager Crushing & Interquip

Tony has held a number of senior management roles, with over 25 years' experience within the oil and gas, mining and construction industries.

Adam Struthers

General Manager Plant

Adam has over 25 years' experience in maintenance and mining industry and has held management roles with contractors, hire companies and OEMs.

Lance Matthews

General Manager HSEQT

Lance joined MACA in 2020 and brings with him more than 20 years' experience in health and safety, risk management and governance strategic planning within the mining and civil industries.

Michael Hunt

General Manager Estimating & Technical Services

Michael joined MACA in 2020, and brings with him over 24 years' of experience and knowledge in the mining industry, including over 14 years in senior roles with mining contractors.

BOARD OF DIRECTORS

Andrew Edwards

Non-Executive Chairman

Andrew is an experienced Non-Executive director. He is a former Managing Partner of PwC's Perth Office, and a former president of the Western Australian division of the Securities Institute of Australia (now the Financial Services Institute of Australasia).

Mike Sutton

Managing Director and Chief Executive Officer

Mike 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 WA.

Geoff Baker

Executive Director

Geoff is a founding shareholder of MACA and brings with him over 40 years' experience within the mining and civil industries. Geoff has extensive experience in operational strategy, capital expenditure and successful project delivery in terms of safety and financial outcomes.

Linton Kirk

Independent Non-Executive Director

Linton has over 40 years' experience in mining and earthmoving, covering both open pit and underground operations in several commodities. He has held technical, operational and management positions in a variety of mining and mining service companies throughout the world prior to becoming a consultant in 1997.

Robert Ryan

Independent Non-Executive Director

Robert brings over 40 years' experience in civil engineering and construction to the Board. For 14 years he worked at a senior level for a significant public company working in engineering services.

CHAIRMAN'S ADDRESS

"MACA has seen improved performance during 2020, again achieving record levels of revenue and work in hand, alongside a positive recovery in operating margins.

ANDREW EDWARDS
Chairman

On behalf of the Board of MACA, I am pleased to report on the Company's results and achievements for the year ended 30 June 2020.

MACA has seen improved performance during 2020 in our underlying business operations, again achieving record levels of revenue and work in hand, alongside a positive recovery in our EBITDA and NPAT margins (pre impairment and forex impacts). Our financial results before impairment and forex impacts were largely in line with guidance provided to the market, with revenue of $808m and EBITDA of $120m.

However, the outbreak of COVID-19 in the second half of the financial year, whilst having limited operational impact, significantly impacted MACA's statutory results through its impact on broader economic factors. The softening price for PCI Coal resulted in MACA recognising an impairment to the carrying value of receivables of $34m (after tax) on amounts owing from Carabella Resources in relation to the Bluff PCI Project. In addition, a deterioration of the value of the Brazilian Real in consequence of that country's severe COVID-19 outbreak was a major contributor to our discontinued Brazilian operations reporting a net loss after tax of $21m. In consequence, MACA reported an overall net loss after tax of $17.4m.

The past year has seen changes in the Executive Leadership Team. Mike Sutton was appointed as CEO / Managing Director after an extensive selection process, following the resignation of Chris Tuckwell, who served in these roles for 11 years. Additionally, David Greig was appointed as Chief Operating Officer. These appointments further enhance MACA's capability and better enable the Company to achieve its strategic objectives and deliver shareholder value.

Our Australian mining operations have continued to grow, with MACA continuing its contract mining operations for Regis Resources at the Duketon South and Duketon North operations, with Ramelius Resources at the Mount Magnet and Edna May (awarded in February 2020) projects, with Blackham Resources at the Matilda project, with Pilbara Minerals at the Pilgangoora lithium project and with Carabella Resources in the Blackwater region of Queensland (PCI coal). In November 2019, MACA was awarded a five year mining contract by FQM Australia Nickel Pty Ltd at the Ravensthorpe Nickel Project, which commenced successfully in the second half of FY20.

Our civil and infrastructure operations performed strongly in FY20, with this performance underpinned by a number of key projects, including the Karratha / Tom Price road for Main Roads WA, the General Earthworks, Camp Expansion and Road Construction for FMG Iron Bridge and Formosa Steel, the Corunna Downs Haul Road for Atlas Iron and a number of works packages for VicRoads in Victoria.

Our MACA Interquip business has had a positive year, albeit not matching its strong performance in FY19, but still contributing to the overall MACA result. Interquip's main activities this year comprised supporting Adaman Resources at its Kirkalocka gold project, Saracen at its Carosue Dam operations, and completing a number of minor works packages for BHP, FQM and Wiluna. We remain confident in the MACA Interquip pipeline of work into FY21 and its ability to continue to enhance overall Group performance.

We are currently observing positive market conditions across the mining and civil construction sectors, and the Company is actively pursuing many mining, civil and infrastructure opportunities. As previously announced, MACA is expecting revenue to exceed $850m in FY21, of which $740m is currently secured.

Your Directors have declared a final dividend of 2.5 cents per share, taking the total dividends for the year to 5.0 cents fully franked. This dividend has been set having regard to the recent level of earnings and the desire to retain sufficient funds for equipment and working capital investments required to support future projects.

We will continue to position MACA for future years by pursuing appropriate growth opportunities and diversification. MACA remains focused on productivity and other initiatives to improve and protect margins in our drive to bolster earnings sustainability. Importantly, the Company's strong balance sheet provides MACA with the capacity to pursue the right opportunities to achieve its long-term growth strategy.

On behalf of the Board, I would like to take this opportunity to thank our shareholders, as well as all of MACA's other stakeholders, for their continued support, and in particular our dedicated people for their commitment and contribution during the year.

Andrew Edwards
Chairman

REVIEW OF OPERATIONS

This financial year represented one of significant growth and change for MACA, and I look forward to the future and its opportunities, while acknowledging the proud history of the business and its past achievements.

FY20 represented a contrasting year for MACA, with strong growth in our revenue, continuing operational earnings (before impairment) and orderbook, against a statutory net loss after tax. The outbreak of COVID-19 in the second half of the financial year has had limited operational impact, however the broader economic factors have had a significant impact on statutory results. These included disruptions to demand in the coal market, with a softening of the price for PCI Coal alongside a deterioration of the value of the Brazilian Real. As a result, an impairment to the carrying value of receivables of $34m (after tax) was realised on amounts owing from Carabella Resources in relation to the Bluff PCI Project and our discontinued Brazilian operations reported a net loss after tax of $21m with a major contributor being foreign exchange losses on the back on the Brazilian currency being impacted by the country's severe COVID-19 outbreak. MACA will continue to work with Carabella Resources to facilitate the recovery of the full outstanding amount while continuing operations. In contrast, receivable balances continue to unwind, including Wiluna Mining Corporation Ltd (previously Blackham Resources) having repaid its working capital facility in full and operating under contractual payment terms, and Great Panther Mining continuing to meet its repayment obligations.

SAFETY

MACA is committed to providing a safe and healthy workplace to our employees, contractors and visitors, and delivers our work responsibly in order to minimise impact to the environment.

Creating a safe working environment for our employees is our highest priority. Our total recordable injury frequency rate is 6.6 and we continue to strive to improve our safety performance.

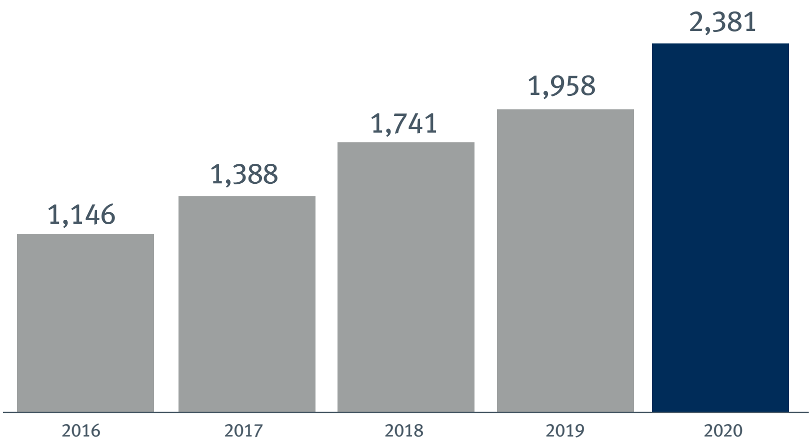
In FY20, MACA refreshed its approach to health and safety, with engagement of leadership at all levels of the business, and we are now collectively focused to deliver a "Working Safely" workplace culture.

It is also pleasing to note that during the second half of the financial year, MACA worked proactively with its clients, suppliers and employees and was able to manage the impact of COVID-19 in such a way that the impact on day to day operations was minimal.

OUR PEOPLE

MACA highly values its hard working and loyal employees, who in many cases have spent additional time away from their families whilst facilitating roster changes due to site requirements and border closures as a result of COVID-19. With a strong culture and commitment to the MACA brand, and a total workforce (including contractors) in excess of 2,000 people, all have contributed to the successful delivery of quality projects and the financial performance for the business. I would like to extend my thanks to them and all of our stakeholders who remain an essential part of our success.

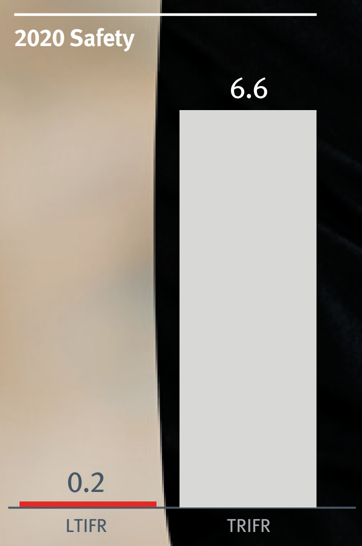
MACA currently employs 55 apprentices and has 165 employees enrolled in traineeships, representing greater than 10% of our workforce engaged in traineeship programs. MACA is committed to enlisting and developing a pipeline of qualified employees to ensure the long-term sustainability of our industry.



Our People (including Contractors)

> It gives me great pleasure to present my first Annual Report for MACA, having commenced in the CEO role in March 2020, and as Managing Director in June 2020.

MIKE SUTTON
Chief Executive Officer
and Managing Director



FY 20 KEY POINTS

SAFETY (TRIFR)

6.6 (up 3% from FY19)

HEADCOUNT (INCL CONTRACTORS)

2,381 (up 22% from FY19)

REVENUE

$808 million (up 21% from FY19)

EBITDA

$120.4 million (up 70% from FY19)

NET LOSS AFTER TAX

$17.4 million (down 178% on FY19 NPAT of $20.6m)

WORK IN HAND

$2.7 billion at Sept 20 (up 28% from FY19)

OPERATING CASH FLOW

$116.6 million (up 103% from FY19)

CAPITAL INVESTMENT

$124 million (down 25% from FY19)

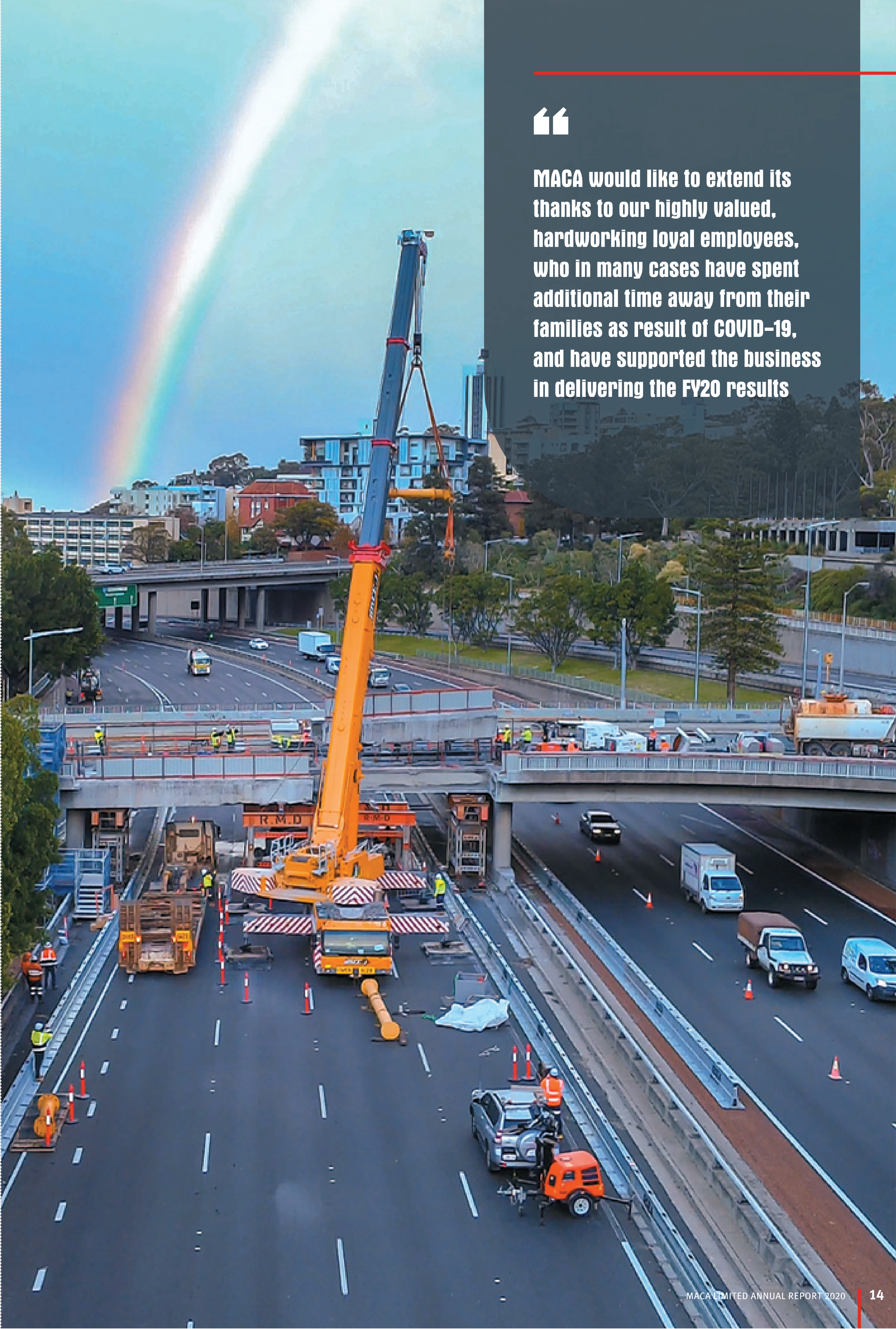
NET DEBT

$73.4 million (down from $82.8m at Jun19)

CASH OF $114.7M

APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Mike Sutton



"

MACA would like to extend its thanks to our highly valued, hardworking loyal employees, who in many cases have spent additional time away from their families as result of COVID-19, and have supported the business in delivering the FY20 results

AREAS OF ACTIVITY

WESTERN AUSTRALIA

Goldfields/Esperence

01 **Regis Resources**
Duketon South
Moolart Well

02 **Wiluna Mining Corporation**
Matilda Gold

03 **First Quantum Minerals**
Ravensthorpe

Wheatbelt

04 **Ramelius Resources**
Edna May

Murchison

05 **Ramelius Resources**
Mount Magnet

06 **Adaman Resources**
Kirkalocka

Kimberley

07 **MainRoads WA**
Kimberley Road Maintenance

Pilbara

08 **Pilbara Minerals**
Pilgangoora

09 **BHP**
Mining Area C
10 Eastern Ridge
WAIO

11 **Atlas Iron**
Mt Webber Crushing
12 Corunna Downs

13 **MainRoads WA**
Karratha / Tom Price Rd
Coongan Gorge

14 **FMG**
Iron Bridge

QUEENSLAND

Bowen Basin

15 **Carabella Resources**
Bluff Coal

VICTORIA

Regional

16 **VicRoads**
Geelong-Bacchus Marsh Road
Shepparton Alt. Route Roundabout Upgrade
Findon Road
Princes Highway pavements and guardrails
Midland Highway Road widening
Moggs Creek bridge replacement
Forrest Apollo Bay turnout

17 **Baw Baw Shire**
Network Maintenance

CAMBODIA

Cambodia (East)

18 **Emerald Resources***
Okvau Gold

MACA exited Brazil per ASX announcement dated 21 January 2020

MACA executed mining contract for the Okvau Gold project per ASX announcement dated 13 March 2020

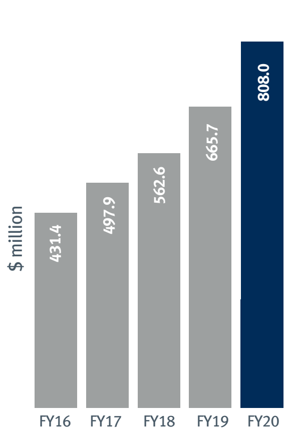
07
KIMBERLEY
08
09
10
11
12
13
14
PILBARA
WESTERN AUSTRALIA
01
02
GOLDFIELDS
05
06
MURCHISON
04
WHEATBELT
PERTH
03

REVIEW OF OPERATIONS CONTINUED

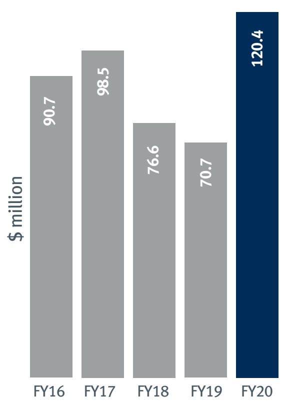
PERFORMANCE

BASE BUSINESS FUNDAMENTALS

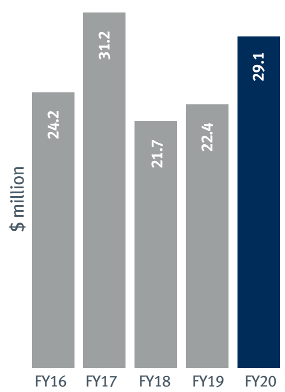
REVENUE



EBITDA



NPAT

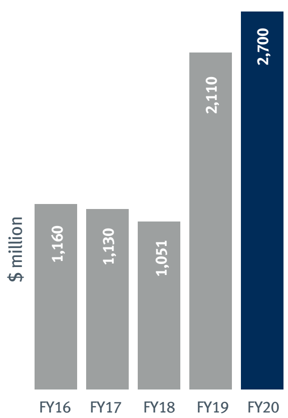


* NPAT in FY20 excludes impairment and foreign exchange transfer impact.

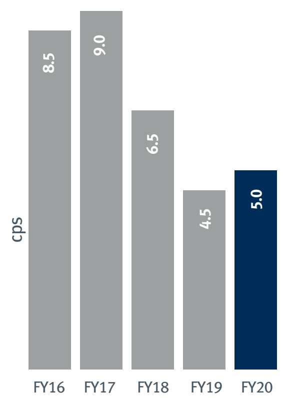
OPERATING CASH FLOW

PREPARED FOR GROWTH

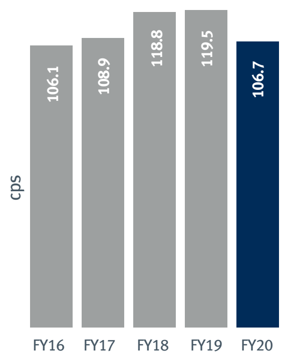
WORK IN HAND



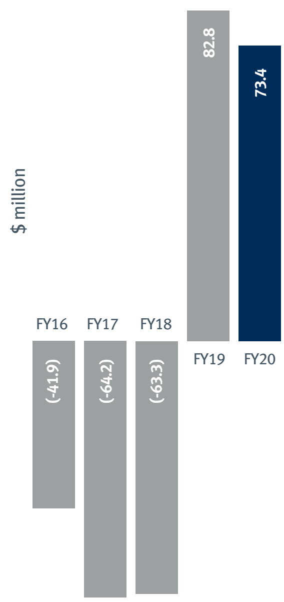
DIVIDENDS



NET TANGIBLE ASSETS



NET DEBT / (CASH)



MOMENTUM FOR GROWTH

- New Chief Executive Officer and Managing Director with the appointment of Mike Sutton in March 2020
- Strong work in hand position of $2.7bn at Sep 20, with solid pipeline of advanced opportunities
- Strong liquidity with $114.7m cash and net debt of $73.4m (relating only to finance leases on plant)
- Improved EBITDA margins
- Strong performance of mining and civil construction segments expected to continue into FY21

GROWTH STRATEGY

MACA has a positive outlook for FY21 and expects to deliver to shareholders continued growth in both our revenue and earnings. Our outlook is underpinned by our strong work in hand position of $2.7 billion at Sep20 and is also supported by a general improvement in the mining and construction industries.

MACA is focused on the following strategic priorities:

REVIEW OF OPERATIONS CONTINUED

MINING AND CRUSHING

Operational activities have continued to grow in mining, with MACA continuing its contract mining operations for Regis Resources at the Duketon South and Duketon North operations, with Ramelius Resources at the Mount Magnet and Edna May (awarded in February 2020) projects, with Blackham Resources at the Matilda project, with Pilbara Minerals at the Pilgangoora lithium project and with Carabella Resources in the Blackwater region of Queensland (PCI coal). In November 2019, MACA was awarded a five year mining contract by FQM Australia Nickel Pty Ltd at the Ravensthorpe Nickel Project, which commenced successfully in the second half of FY20.

In March 2020, MACA executed a mining contract with a wholly owned subsidiary of Emerald Resources Ltd, for provision of contract mining services at the Okvau Gold Project in Cambodia. The term of the contract is for seven years, with mobilisation to site commencing in August 2020 and operations commencing October 2020.

Internationally, MACA ceased operations for Avanco Resources (now fully owned by Oz Minerals) at the Antas project in Brazil and is currently working on disposing of and relocating assets to other operations.

MACA continued to deliver on its crushing contracts for BHP Iron Ore during the year, which included a contract to crush blast-hole stemming material across its Western Australian Iron Ore operations, a contract to crush and screen up to 12Mtpa at the Mining Area C operation, and a contract to crush and screen up to 5Mtpa at the Eastern Ridge operations. Additionally, MACA was awarded a contract by Altas Iron in October 2019 for the provision of crushing and screening at their Mt Webber operations.

Project	Client	Location	Services	Commodity	Status
Duketon Operations	Regis Resources	Goldfields, WA	Open Pit Mining Services	Gold	Ongoing
Mount Magnet	Ramelius Resources	Murchison, WA	Open Pit Mining Services	Gold	Ongoing
Wiluna	Wiluna Mining Corporation	Goldfields, WA	Open Pit Mining Services	Gold	Ongoing
Pilgangoora	Pilbara Minerals	Pilbara, WA	Open Pit Mining Services	Lithium	Ongoing
Bluff PCI	Carabella Resources	Bowen Basin, QLD	Open Pit Mining Services	PCI Coal	Ongoing
Antas	OZ Minerals	Brazil	Open Pit Mining Services	Copper	Ceased
Ravensthorpe Nickel	FQM Ravensthorpe Nickel	Goldfields Esperance	Open Pit Mining Services	Nickel	Commenced
Edna May	Ramelius Resources	Wheatbelt, WA	Open Pit Mining Services	Gold	Commenced
Corunna Downs	Atlas Iron	Pilbara, WA	Open Pit Mining Services	Iron Ore	Awarded
Karlawinda	Capricorn Metals	Pilbara, WA	Open Pit Mining Services	Gold	Awarded
Okvau	Emerald Resources	Cambodia	Open Pit Mining Services	Gold	Awarded
Mining Area C	BHP	Pilbara, WA	Crushing & Screening	Iron Ore	Ongoing
Eastern Ridge	BHP	Pilbara, WA	Crushing & Screening	Iron Ore	Ongoing
WAIO Stemming	BHP	Pilbara, WA	Crushing & Screening	Iron Ore	Ongoing
Mount Webber	Atlas Iron	Pilbara, WA	Crushing & Screening	Iron Ore	Commenced

INFRASTRUCTURE MAINTENANCE

In both Western Australia and Victoria smaller long-term infrastructure works involving road maintenance continued.

Project	Client	Location	Services	Commodity	Status
Baw Baw	Baw Baw Shire	Regional Victoria	Routine Maintenance	Local Government	Ceased
Western Region	VicRoads	Western Victoria	Road & Roadside Maintenance	Government	Ongoing
Kimberley	Main Roads WA	Kimberley, WA	Road Maintenance	Government	Ongoing
Various maintenance packages	Local Shires & Councils	Victoria	Various	Local Government	Completed / Ongoing

CIVIL CONSTRUCTION

The Civil and Infrastructure business delivered a record result in FY20, benefiting from increased scale and a heightened focus on project delivery. Additionally, MACA has been upgraded to R4/B3 conditional under the National Prequalification Scheme for Main Roads Western Australia, which will enable MACA to participate in larger road and bridge projects in capital cities for various road agencies around the country.

During FY20 the Civil division substantially completed its work package in relation to the Karratha / Tom Price Road for Main Roads Western Australia, which included the construction and sealing of a 45km section of road. In addition, MACA has commenced a number of packages for Fortescue Metals Group Ltd subsidiary FMG Iron Bridge and Formosa Steel IB Pty Ltd, including general earthworks, camp expansion, construction of a 26km mine access road, construction of the explosive facility and further road upgrades. MACA also commenced work for Atlas Iron on the Corunna Downs haul road.

In Victoria, our business continues to grow in scale and capability, with the award of a number of projects for VicRoads in FY20, including the Shepparton Alternative Route Roundabout Upgrades, the Bacchus March Road Stage 2A Safety Improvements, the Midland Highway Buninyong Road Towards Zero package, the civil and safety pack on the Princes Highway along with a number of minor works contracts with VicRoads and local Victorian shires.

Project	Client	Location	Services	Commodity	Status
Karratha / Tom Price Road	Main Roads WA	Pilbara, WA	Road construction and sealing	Government	Ongoing
Iron Bridge Magnetite Project	FMG Iron Bridge / Formosa Steel IB	Pilbara, WA	General earthworks, roads, facilities	Iron Ore	Commenced
Iron Bridge Magnetite Project	FMG Iron Bridge / Formosa Steel IB	Pilbara, WA	Airstrip	Iron Ore	Commenced
Williams	Main Roads WA	Williams, WA	Road and bridge upgrade	Government	Completed
Hay Street Bridge	Main Roads WA	Perth, WA	Bridge replacement	Government	Commenced
Corunna Downs Haul Road	Atlas Iron	Pilbara, WA	Haul Road	Iron Ore	Commenced
Shepparton Alt. Route Upgrade	VicRoads	Victoria	Roundabout Upgrade	Government	Ongoing
Findon Road	VicRoads	Victoria	Signalised Intersection	Government	Ongoing
Princes Highway	VicRoads	Victoria	Pavement works, guardrails	Government	Ongoing
Moggs Creek	VicRoads	Victoria	Bridge replacement	Government	Ongoing
Forrest Apollo Bay Turnout	VicRoads	Victoria	Construction of slow vehicle turn out lanes	Government	Ongoing
Various other civil construction projects	VicRoads	Victoria	Various	Government	Completed / Ongoing

MACA INTERQUIP

In FY20, MACA Interquip completed the Kirkalocka gold project for Adaman Resources which included the installation of a new semi-autogenous mill and the refurbishment of an existing processing plant, with MACA Interquip also awarded the ongoing contract in relation to its maintenance. Additionally, MACA Interquip completed tank upgrade works for Saracen at Carosue Dam and the build, refurbish and install of the Mt Webber crushing circuit at Atlas Iron Mt Webber.

Project	Client	Location	Services	Commodity	Status
Kirkalocka	Adaman Resources	Murchison, WA	Mill Installation and refurb	Gold	Completed
Kirkalocka	Adaman Resources	Murchison, WA	Maintenance	Gold	Ongoing
Carosue	Saracen	Goldfields, WA	Tank Upgrade Works	Gold	Completed
Mount Webber	Atlas Iron	Pilbara, WA	Refurbish Install Crushing Circuit	Iron Ore	Completed
Various	BHP	Pilbara, WA	Various support projects	Iron Ore	Ongoing
Wiluna	Wiluna Mining Corporation	Goldfields, WA	Support	Gold	Ongoing
Ravensthorpe Nickel	FQM Ravensthorpe Nickel Operations	Goldfields Esperance, WA	Support	Nickel	Ongoing

REVIEW OF OPERATIONS CONTINUED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

MACA recognises the importance of Environmental, Social and Governance outcomes in delivering long-term sustainable performance and shareholder value.

ENVIRONMENTAL

MACA is committed to providing environmental, social, governance initiatives in order to minimise the impact to the environment.

Our framework is based on our ISO AS/NZS 14001 certified Environmental Management System which supports MACA's environmental performance.

MACA considers the lifecycle aspect to environmental decision-making to reduce the business's environmental footprint. We are receptive to innovative ideas that will result in reducing emission discharges, waste, energy usage and resource consumption.

We ensure compliance with all legal requirements involving critical environmental aspects such as waste, water, noise, cultural heritage management, biodiversity and hazardous materials.

BIODIVERSITY AND LAND MANAGEMENT

MACA takes great steps to ensure there is minimal impact to the environments in which we work, including the natural state of flora and fauna. MACA conducts proper environmental assessments as part of the conditions for environmental approval. We take no part in unauthorised land clearing, and ensure we don't disturb or negatively impact cultural heritage sites around us.

REHABILITATION

MACA is actively involved in stockpile rehabilitation work with our key stakeholders and clients.

EMISSIONS AND ENERGY

MACA strives to reduce emissions and energy use where we can at all of our operations. Recent examples of these initiatives and reductions include:

- Installation of full solar paneling and movement detection to reduce energy needs at our Head Office in Welshpool, WA
- Conversion of halogen globe lighting towers to LED to reduce energy load
- Movement towards a fleet of Tier 4 reduced emissions equipment
- Movement towards a fleet of 4-cylinder light vehicles

CLIMATE CHANGE

MACA recognises that climate change is a complex and challenging issue.

We continue to work with our clients to ensure we find practical emissions reductions solutions for current and future works.

MACA is pleased to report that we have had:

0 Major Environmental Incidents

We continue to actively work with our clients to ensure rehabilitation work is a key focus within all projects.

INNOVATION IN DUST MANAGEMENT

Dust management is a vital environmental process for both the environment and our people. In 2019, MACA Interquip developed and built a state-of-the-art dust management machine which captures dust particles in the air and eliminates them from being airborne. Fully autonomous, the Dust Machine has wireless surveillance which can be used from multiple devices and is equipped with different nozzle sizes which can be replaced to match the dust particle size. Addition of organic elements to the machine also allows the machine to clump and crust dust.

WASTE AND RECYCLING

MACA engages in active waste and recycling initiatives on our sites to reduce our environmental footprint.

These include oils, steel, batteries and general waste on projects transported to certified recyclers.

SOCIAL

COMMUNITY

At MACA, we know that we can make an impact through the contributions and support we give to our communities. We therefore develop partnerships that generate long term value and support a sustainable future for both our people and the wider community.

MACA engages with all communities and individuals in a manner that is respectful and inclusive, with consideration and respect towards their rights, culture and way of life. We know that we can make a difference together.

THE HARRY PERKINS INSTITUTE OF MEDICAL RESEARCH

MACA has continued its long-term partnership with the Harry Perkins Institute of Medical Research and is proud to be title sponsor of the MACA Cancer 200 Ride for Research. Collectively MACA raised $1.68 million for the Perkins last year, and close to $10 million in total within our partnership tenure. All funds raised go towards vital cancer research initiatives.

THE PERTH CHILDREN'S HOSPITAL

MACA is proud to support PCHF in purchasing much needed medical equipment. In 2020, MACA donated a medical human simulation patient, also known as 'Lil MACA' to PCHF. This simulator allows doctors and nurses to train in a simulated live environment.

MACA is proudly affiliated with other community organisations including Youth Focus (prevention of youth suicide), Murlpirrmarra Connection (Aboriginal education and employment opportunities), West Australian Symphony Orchestra (the arts) and Working Spirit (Veterans' employment).

DIVERSITY

MACA acknowledges that diversity and inclusion is a business imperative, driving diversity of thought, a sense of belonging and providing a respectful workplace for all employees.

MACA prides itself on being an equal opportunity employer where the value of diversity is executed through our core values and our decision-making processes as a business.

A key area of focus for MACA is to increase our female participation rate within our workforce. We have clear engagement and strategic plans in place to help us reach these goals within the next 12 months.

We are also fully committed to increasing our Aboriginal participation rate within our workforce, and to continue to provide direct and indirect contracting opportunities to Aboriginal communities.

The table below outlines the group's current progress and objectives for diversity in FY21.

Diversity Targets

	FY 20 Actual	FY21 Targets
Indigenous Australians:	4%	5%
Percentage of Female workforce:	15%	17%
Percentage of Female Directors:	0%	30%

GOVERNANCE

The Board of Directors are responsible for MACA's corporate governance framework, which ensures that the Company's obligations and responsibilities to its various stakeholders are fulfilled.

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.

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

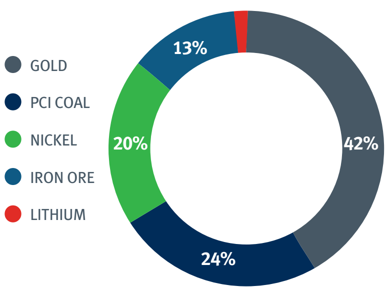
REVIEW OF OPERATIONS CONTINUED

FINANCIAL REVIEW

OVERVIEW

MACA's "pre impairment and forex" financial results were in line with guidance provided to the market, with revenue of $808m (up 21% on FY19) and EBITDA of $120m (up 70% on FY19). Statutory results include the impairment of receivables ($48m) and goodwill ($3m) and the transfer of foreign exchange loss reserves on discontinued operations to the profit and loss statement ($10m) resulting in a Net Loss After Tax of $17.4m.

Mining & Crushing Work in Hand (By Sector/Commodity)



DIVIDEND

On the 24 August 2020, the board of MACA Limited declared a final dividend for the financial year ended 2020 of 2.5 cents per share and a total dividend for the year of 5.0 cents per share. This payout is consistent with our targeted guideline and the Board's objective to provide a return to shareholders whilst still retaining the financial capacity to support our growth plans. The total dividend paid during the year was $13.4 million (2019: $14.7 million).

BALANCE SHEET AND GEARING

With an increase in revenue and assets employed, the Group as at 30 June 2020 remains in a strong financial position with a net debt position of $73.4m (2019: $82.8 million) and with cash on hand of 114.7m (2019: $59.3 million)

ORDER BOOK

As at the end of September 2020 the company has a Work in Hand of $2.7 billion, with Mining and Crushing accounting for $2.5 billion and Civil and Infrastructure accounting for $0.2 billion.

OPERATING CASH FLOW AND CAPITAL EXPENDITURE

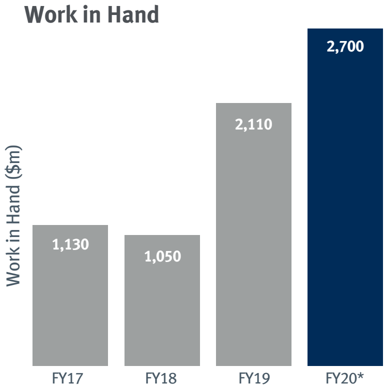
Operating cash flow for the year ended 30 June 2020 was $116.6 million. Capital expenditure for the financial year was $124.5 million. This is largely associated with growth capex for the Ravensthorpe Nickel Project, preparing fleet for the Okvau Gold Project, the Crushing Division and sustaining capital. Capital equipment purchases were funded by a combination of cash and equipment finance contracts.

OUTLOOK

MACA enters the new financial year with a work in hand position of $2.7 billion as at September 2020. This together with strong prospects has the business poised to grow both revenue and profitability.

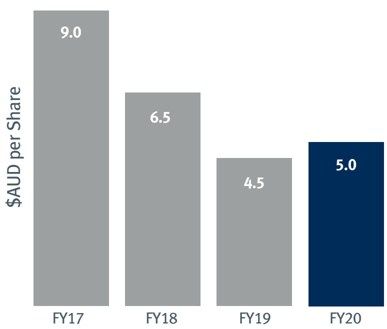
Mike Sutton
Chief Executive Officer and Managing Director

Work in Hand

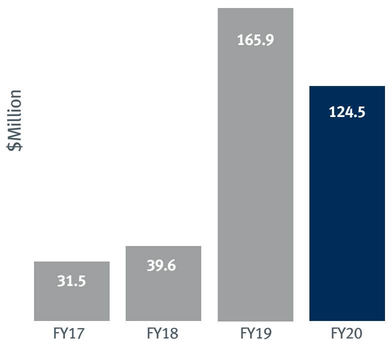


* As at the date of this report

Dividends per Share



Capital Expenditure



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 2020.

DIRECTORS

The following persons were directors of MACA Limited during the whole or part of the financial year and up to the date of this report:

Mr (Hugh) Andrew Edwards
(Chairman, Non-Executive Director)

Mr Mike Sutton
(Chief Executive Officer commenced effective 24 Feb 2020, and Managing Director commenced effective 1 June 2020)

Mr Geoffrey Alan Baker (Executive Director)

Mr Linton John Kirk (Non-Executive Director)

Mr Robert Neil Ryan (Non-Executive Director)

Mr Chris Tuckwell (Chief Executive Officer and Managing Director, resigned March 3 2020)

Mr Chris Sutherland (Non-Executive Director, commenced effective 26th of February 2020, resignation effective 10th September 2020)

PRINCIPAL ACTIVITIES AND ANY SIGNIFICANT CHANGES IN NATURE

The principal activities of the Group during the year were in three businesses and two geographical segments being the provision of contract mining services, civil contracting services and mineral processing services throughout Australia, and, in the first half of the financial year contract mining services in Brazil, South America.

There were no significant changes in the nature of the Group's principal activities during the financial year.

DIVIDENDS PAID OR RECOMMENDED

Dividends that were fully franked and paid or declared for payment since the end of the previous financial year were as follows:

	2020	2019
Interim dividend declared and paid per ordinary share (cps)	2.5	2.0
Final dividend declared and paid per ordinary share (cps)	2.5	2.5

The final fully franked dividend was paid on the 18th September 2020.

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 ensures it complies with all regulations.

SIGNIFICANT CHANGES IN 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

There were no changes in controlled entities.

EVENTS SUBSEQUENT TO BALANCE DATE

- Award of Corunna Downs Mining Contract by Atlas Iron which is expected to generate revenue of $230 million over the 62 month term;
- Letter of intent to award the open pit mining services contract by Capricorn Metals Ltd in relation to the Karlawinda Gold Project, which is expected to generate revenue of $410 million over the five year term;
- Award of Mt Magnet Mining Contract Extension by Ramelius Resources which is expected to generate revenue of $130 million over the three year term;
- 10% Non-Owner Participant in the Southwest Connex Alliance for Bunbury Outer Ring Road Project which is expected to generate revenue of $85m for MACA over the three and half year term; and
- As announced on 21 August 2020, MACA recognised an impairment of $48m in relation to the carrying amount of the Carabella Resources receivable, in addition to impairing goodwill by $3m;

Other than the items listed above, no other matters or circumstances have arisen since the full year to 30 June 2020 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.

REVIEW OF OPERATIONS

Ordinary Activities	30 June 2020	30 June 2019	Movement
Revenue	$795.8m	$639.9m	24%
EBITDA	$129.5m	$68.3m	90%
EBIT	$9.3m	$30.3m	(69%)
Net Profit / (Loss) Before Tax	$6.1m	$32.0m	(81%)
Net Profit / (Loss) After Tax	$3.6m	$22.4m	(84%)
Discontinued Operations	**30 June 2020**	**30 June 2019**	**Movement**
Revenue	$12.2m	$25.8m	(53%)
EBITDA	($9.1m)	$2.4m	(479%)
EBIT	($14.6m)	($2.2m)	(564%)
Net Profit / (Loss) Before Tax	($13.7m)	-	-
Net Profit / (Loss) After Tax	($21.0m)	-	-
Total	**30 June 2020**	**30 June 2019**	**Movement**
Revenue	$808.0m	$665.7m	21%
EBITDA	$120.4m	$70.7m	70%
EBIT	($5.3m)	$28.1m	(119%)
Net Profit / (Loss) Before Tax	($7.6m)	$32.0m	(124%)
Net Profit / (Loss) After Tax	($17.4m)	$22.4m	(178%)
Other Metrics	**30 June 2020**	**30 June 2019**	**Movement**
Work in Hand**	$2,320m	$2,110m	10%
Net Debt (Cash) position	$73.4m	$82.8m	(11%)
Operating Cash Flow	$116.6m	$57.5m	103%
Earnings per share - basic	(6.7) cents	7.7 cents	
Dividends per share (fully franked)	5.0 cents	4.5 cents	

** Work in hand as at the date of this report is $2.7bn

INFORMATION ON CURRENT DIRECTORS

Mr Andrew Edwards

TITLE:	Independent Non-Executive Chairman
QUALIFICATIONS:	B Com FCA SF Finsia FAICD
EXPERIENCE AND EXPERTISE:	Mr Edwards is a former Managing Partner of PricewaterhouseCoopers (PwC) Perth Office, a former national Vice President of the Securities Institute of Australia (now the Financial Services Institute of Australasia) and a former President of the Western Australian division of that Institute. Mr Edwards is a Fellow of Chartered Accountants Australia and New Zealand and has served as a state councillor of that Institute.
CURRENT DIRECTORSHIPS:	Mr Edwards has been a board member of MACA Limited since 10th November 2010. Mr Edwards is currently Non-Executive Chairman of MMA Offshore Limited (appointed December 2009).
FORMER DIRECTORSHIPS (IN LAST 3 YEARS):	Non-Executive Director of Nido Petroleum Limited (appointed December 2009 and resigned December 2018) (delisted from ASX June 2017).
SPECIAL RESPONSIBILITIES:	Mr Edwards is currently a member of the Board's Remuneration Committee, Audit Committee and Risk Committee.
INTEREST IN SHARES:	20,000

Mr Geoff Baker

TITLE:	Executive Director
QUALIFICATIONS:	MAICD
EXPERIENCE AND EXPERTISE:	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.
CURRENT DIRECTORSHIPS:	Mr Baker has been a board member of MACA Limited since 10th November 2010.
FORMER DIRECTORSHIPS (IN LAST 3 YEARS):	Nil.
SPECIAL RESPONSIBILITIES:	Mr Baker is currently a member of the Board's Risk Committee.
INTEREST IN SHARES:	12,863,816
INTEREST IN PERFORMANCE RIGHTS:	215,514 vesting 30 June 2021 263,406 vesting 30 June 2022

Mr Mike Sutton

TITLE:	Chief Executive Officer and Managing Director
QUALIFICATIONS:	BSc in Civil Engineering, MAICD, MAusIMM
EXPERIENCE AND EXPERTISE:	Mike 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 Mike held senior roles with Leighton Contractors and Henry Walker Eltin.
CURRENT DIRECTORSHIPS:	Mr Sutton has been a board member of MACA Limited since 1st June 2020
FORMER DIRECTORSHIPS (IN LAST 3 YEARS):	Nil
SPECIAL RESPONSIBILITIES:	Mr Sutton is currently a member of the Board's Risk Committee

Mr Linton Kirk

TITLE:	Independent Non-Executive Director
QUALIFICATIONS:	B Eng (Mining) FAusIMM (CP)
EXPERIENCE AND EXPERTISE:	Mr Kirk has over 40 years' experience in mining and earthmoving, covering both open pit and underground operations in several commodities. He has held technical, operational and management positions in a variety of mining and mining service companies throughout the world prior to becoming a consultant in 1997.
CURRENT DIRECTORSHIPS:	Mr Kirk has been a board member of MACA Limited since 1st October 2012.
FORMER DIRECTORSHIPS (IN LAST 3 YEARS)	Mr Kirk was a Non-Executive Director of Middle Island Resources from September 2011 to July 2016.
SPECIAL RESPONSIBILITIES:	Mr Kirk is currently the Chair of the Board's Audit Committee and Risk Committee and a member of the Remuneration Committee.
INTEREST IN SHARES:	115,000

Mr Robert Ryan

TITLE:	Independent Non-Executive Director
QUALIFICATIONS:	CP Eng MIEAust MAICD
EXPERIENCE AND EXPERTISE:	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 DownerEDI Infrastructure working on various business improvement projects nationally and overseas. During that time he played a major role in setting up the association with Mouchel to form DownerMouchel securing a number of asset management in WA, Qld and NSW. Before joining Downer EDI Mr Ryan worked as Construction Manager for 14 years with a local business undertaking civil construction and earthmoving in Metropolitan and Regional areas of Western Australia.
CURRENT DIRECTORSHIPS:	Mr Ryan has been a board member of MACA Limited since 18th August 2015.
FORMER DIRECTORSHIPS (IN LAST 3 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:	58,604

Mr Peter Gilford

TITLE:	Chief Financial Officer / Company Secretary
QUALIFICATIONS:	B Com CA AGIA ACG
EXPERIENCE AND EXPERTISE:	Mr Gilford has significant experience in the areas of financial management, 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 is a member of the Chartered Governance Institute.

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 30th June 2020 were as follows:

	Directors' Meetings		Committee Meetings					
	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
Andrew Edwards	6	6	2	2	2	2	2	2
Mike Sutton	2	2	-	-	1	1	1	1
Chris Tuckwell	4	4	2	2	1	1	1	1
Geoff Baker	6	6	2	2	2	2	2	2
Linton Kirk	6	6	2	2	2	2	2	2
Robert Ryan	6	6	2	2	2	2	2	2
Chris Sutherland	3	3	1	1	1	1	1	1

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

REMUNERATION REPORT

The audited remuneration report is set out on pages 35 to 48 and forms part of this Directors' Report.

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 company secretary 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 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 2106/191 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 49 and forms part of the directors' report for the financial year ended 30 June 2020.

RISK

MACA's risk management framework is embedded within existing processes and is aligned to 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 ENVIRONMENT RISK

The industry sectors in which we operate involve a high degree of operational risk. MACA believes it takes 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 involves 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 time 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.

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 means 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 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 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 change 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.

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 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 to 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. Because 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 the Brazilian Real, in addition to United States Dollars (Cambodian Mining Contract).

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 regulation 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;
- Operating in international markets, potentially exposing MACA to country specific adverse economic conditions, civil unrest, conflicts, bribery and corrupt practices;
- Foreign exchange rates and interest rates in the ordinary course of business, 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	2020 Executive remuneration framework and improvements	Outlines the 2020 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 Directors' fees	Provides detail regarding the fees paid to Non-Executive Directors.

1.0 INTRODUCTION

This remuneration Report forms part of the Directors' Report for 2020 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.

1.1 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 top five paid executives. Except as noted, these persons held their current position for the whole of the financial year and since the end of the financial year.

Person	Position	Period in position during the year
Directors - Non-Executive		
Andrew Edwards	Non-Executive Chairman	Full year
Linton Kirk	Non-Executive Director	Full year
Robert Ryan	Non-Executive Director	Full year
Chris Sutherland	Non-Executive Director	Commenced effective 26th February 2020. Resignation effective 10 September 2020.
Directors - Executive		
Chris Tuckwell	Chief Executive Officer / Managing Director	Part Year (Retired 3 March 2020)
Mike Sutton	Chief Executive Officer / Managing Director	Commenced as CEO effective 24 February 2020, commenced as Managing Director effective 1 June 2020.
Geoff Baker	Executive Director	Full year
Executives		
David Greig	Chief Operating Officer	Full year
Tim Gooch	General Manager - Mining	Full year
Peter Gilford	Chief Financial Officer / Company Secretary	Full year
Mark Davidovic	General Manager - Civil	Full year
Mitch Wallace	General Manager - Brazil Operations	Resignation effective 31st March 2020

2.0 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. No external remuneration consultant was engaged over the past financial year.

3.0 2020 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 is designed to retain and stimulate individuals on a market competitive basis.

Remuneration Framework		
Total fixed remuneration (TFR)	**Short-term incentive (STI)**	**Long-term incentive (LTI)**
• 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	Financial metrics comprise some or all of: • Net profit after tax - company and divisional • Earnings per share Non-financial metrics comprise some or all of: • Safety indicators - LTI and TRIFR • Personal performance • Maximum STI is 15 - 60% of TFR depending on the individual	• 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

4.0 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

4.0 COMPANY PERFORMANCE AND THE LINK TO REMUNERATION (CONTINUED)

	2020	2019	2018	2017	2016
Reported net profit/(loss) attributable to equity holders of the parent ($m)	(17.9)	20.6	23.6	31.2	24.2
Reported return on equity (%)	(5.8)	6.9	7.4	11.6	9.5
Reported basic earnings per share (cents)	(6.7)	7.7	9.1	13.7	10.4
Lost time injury frequency rate (LTIFR)	0.2	0.5	0	0	0
Total recordable injury frequency rate (TRIFR)	6.6	6.4	6.8	7.8	13.7
Shareholders' Wealth					
Interim dividend declared (cents)	2.5	2.0	3.0	4.5	4.0
Final dividend declared (cents)	2.5	2.5	3.5	4.5	4.5
Special dividend declared (cents)	-	-	-	-	-
Share price at 30 June (cents)	86.5	90	120	165	132
Total shareholder return (TSR %) [1]	1.7	(21.3)	(23.3)	38.1	74.6
3 year Annual Compound TSR [1]	(14.1)	(5.2)	23.2	6.3	8.0

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

5.0 EXECUTIVE REMUNERATION OUTCOMES

5.1 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 $706,500 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's 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 nor the previous CEO Mr Tuckwell for 2020 - refer 5.4 below.

- An LTI under which Mr Sutton may receive share performance rights convertible into fully paid shares, subject to performance criteria being met. There were no Performance Right issued to Mr Sutton during the year. At the 2019 Annual General Meeting the Board sought and received approval for the grant of 313,622 Performance Rights to then Managing Director and CEO Mr Tuckwell, pursuant to the Company's Performance Rights Plan (PRP). These Rights were forfeited upon Mr Tuckwell's resignation.

5.2 TOTAL FIXED REMUNERATION (TFR)

All Executives received TFR as outlined in page 43 of this report. TFR comprises base salary and superannuation plus the use of a company motor vehicle or 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.

5.3 SHORT-TERM INCENTIVE PLAN (STI PLAN)

Key features of the STI Plan are outlined in the table 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	2019: The STI is a component of 'at risk' pay provided to Executives and KMP.

	% of TFR paid on Target Achievement
CEO	25%
Executive Directors	25%
Other Executive KMP	15%

2020: The STI is a component of 'at risk' pay provided to Executives and KMP.

	% of TFR paid on Target Achievement
CEO	25% - 60%
Executive Directors, COO and CFO	25%
Other Executive KMP	15%

Performance conditions	Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive. 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. KPIs for the CEO and Executive Directors 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. KPIs for other Executive 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.
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 part payment of the STI's. The board may exercise its discretion in relation to the payment of STI's.
Cessation of employment	STI forfeited if an Executive or KMP resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.

REMUNERATION REPORT CONTINUED

5.4 STI OUTCOMES

No STI was paid to any member of the senior executive team. An amount of $51,530 was accrued for Divisional General Managers.

5.5 LONG-TERM INCENTIVE PLAN (LTI PLAN)

Key features of the LTI Plan are outlined in the table below.

Overview of the LTI Plan	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	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).

2019	% of TFR applied in LTI
CEO	25%
Executive Directors	25%
Other Executive KMP	20%

2020	% of TFR applied in LTI
CEO	25%
Executive Directors, COO and CFO	20-30%
Other Executive KMP	20%

Performance conditions	KPIs are set for the Group (where relevant). Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders. KPIs for the CEO, Executive Directors and other Executive KMP comprise 100% against a Total Shareholder Return (TSR) using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) measured over a 3 year period.
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 discretion to not approve the vesting of the rights if the TSR is negative.
Cessation of employment	LTI forfeited if an Executive resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.

5.6 LTI OUTCOMES

None of the applicable hurdles were met for the period 1 July 2017 to 30 June 2020 (3 year period) for rights to vest in the LTI performance conditions above for Executives and KMP. Accordingly, no performance rights vested during FY20.

5.7 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.

5.8 KMP OPTIONS

No options were granted during the period and no options were vested or were exercised during the period. At 30 June 2020 no options were held by KMP.

5.9 KMP PERFORMANCE RIGHTS

During the 2020 financial year 1,906,909 (2019: 1,473,586) performance rights were granted under the Group's Performance Rights Plan and 1,163,501 (2019: 209,941) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2021. As at 30 June 2020 there were 2,690,578 (2018: 2,235,877) performance rights outstanding. On 14 November 2019 shareholders approved the issue of 313,622 performance rights to the Managing Director Mr Chris Tuckwell and 263,406 performance rights to the Operations Director Mr Geoff Baker. During the year, 697,368 rights lapsed as performance criteria were not met.

REMUNERATION REPORT CONTINUED

5.9 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 2020	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 unexercisable	Unvested at end of year
Hugh (Andrew) Edwards Chairman	-	-	-	-	-	-	-	-
Linton Kirk Non-Executive Director	-	-	-	-	-	-	-	-
Robert Ryan Non-Executive Director	-	-	-	-	-	-	-	-
Chris Sutherland Non-Executive Director	-	-	-	-	-	-	-	-
Chris Tuckwell Managing Director / Chief Executive Officer	441,218	313,622	-	(754,840)	-	-	-	-
Mike Sutton Managing Director / Chief Executive Officer	-	-	-	-	-	-	-	-
Geoff Baker Executive Director	362,289	263,406	-	-	625,695	-	146,775	478,920
David Greig Chief Operating Officer	209,504	153,057	-	-	362,561	-	92,500	270,061
Tim Gooch General Manager - Mining	235,465	167,599	-	-	403,064	-	98,339	304,725
Mitch Wallace General Manager - Brazil Operations	239,414	168,797	-	(408,211)	-	-	-	-
Mark Davidovic General Manager - Civil and Infrastructure	251,993	181,148	-	-	433,141	-	103,781	329,360
Peter Gilford Chief Financial Officer / Company Secretary	208,320	153,704	-	-	362,024	-	84,489	277,535
Total	**1,948,203**	**1,401,333**	**-**	**(1,163,051)**	**2,186,485**	**-**	**525,884**	**1,660,601**

Performance rights totalling 504,093 have been issued to employees not classed as KMP and remain unvested as at 30 June 2020.

5.10 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 2020	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
Hugh (Andrew) Edwards Chairman	20,000	-	-	-	-	20,000
Linton Kirk Non-Executive Director	75,000	-	40,000	-	-	115,000
Robert Ryan Non-Executive Director	38,604	-	20,000	-	-	58,604
Chris Sutherland Non-Executive Director	-	-	-	-	-	-
Chris Tuckwell Managing Director / Chief Executive Officer	1,288,801	-	-	-	-	1,288,801
Mike Sutton Managing Director / Chief Executive Officer	-	-	-	-	-	-
Geoff Baker Executive Director	12,863,816	-	-	-	-	12,863,816
David Greig Chief Operating Officer	-	-	-	-	-	-
Peter Gilford Chief Financial Officer / Company Secretary	245,376	-	-	-	-	245,376
Tim Gooch General Manager - Mining	164,962	-	-	-	(164,962)	-
Mitch Wallace General Manager - Brazil Operations	290,275	-	-	-	(290,275)	-
Mark Davidovic General Manager - Civil and Infrastructure	-	-	-	-	-	-
Total	14,986,834	-	60,000	-	(455,237)	14,591,597

REMUNERATION REPORT CONTINUED

5.11 KMP REMUNERATION

5.11.1 Employment benefits and payments for the year ended 30 June 2020

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.

		Short-term benefits					Post-employment benefits		Long-term benefits		Equity-settled sharebased payments		
		Salary, fees and leave	Comm-ittee fees	Cash bonus/ STI	Non-monetary	Other	Super-annuation	Other	Incentive plans	LSL	Share / Units	Options / Rights	Total
	Year	$	$	$	$	$	$	$	$	$	$	$	$
Executive Directors													
Mike Sutton Managing Director / Chief Executive Officer	2020	222,798	-	-	-	-	8,653	-	-	-	-	-	231,451
	2019	-	-	-	-	-	-	-	-	-	-	-	-
Geoff Baker Operations Director	2020	538,958	-	-	-	-	-	-	-	-	-	138,859	677,817
	2019	568,957	-	-	-	-	-	-	-	-	-	136,696	705,653
Total compensation for Executive Directors	**2020**	**761,756**	**-**	**-**	**-**	**-**	**8,653**	**-**	**-**	**-**	**-**	**138,859**	**909,268**
	2019	**568,957**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**136,696**	**705,653**
Non-Executive Directors													
Andrew Edwards Chairman	2020	141,553	-	-	-	-	13,447	-	-	-	-	-	155,000
	2019	141,552	-	-	-	-	13,447	-	-	-	-	-	155,000
Linton Kirk [1]	2020	125,845	-	-	-	-	8,042	-	-	-	-	-	133,887
	2019	104,769	-	-	-	-	8,042	-	-	-	-	-	112,811
Robert Ryan [2]	2020	111,581	-	-	-	-	-	-	-	-	-	-	111,581
	2019	96,978	-	-	-	-	-	-	-	-	-	-	96,978
Christopher Sutherland [3]	2020	27,036	-	-	-	-	2,568	-	-	-	-	-	29,604
	2019	-	-	-	-	-	-	-	-	-	-	-	-
Total compensation for Non-Executive Directors	**2020**	**406,015**	**-**	**-**	**-**	**-**	**24,057**	**-**	**-**	**-**	**-**	**-**	**430,072**
	2019	**343,300**	**-**	**-**	**-**	**-**	**21,489**	**-**	**-**	**-**	**-**	**-**	**364,789**
Executives (KMP)													
David Greig Chief Operating Officer	2020	440,077	-	-	-	-	32,096	-	-	-	-	80,400	552,573
	2019	402,399	-	-	-	-	35,853	-	-	-	-	81,527	519,779
Tim Gooch General Manager - Mining	2020	413,258	-	18,597	-	18,763	39,259	-	-	-	-	89,837	579,714
	2019	413,258	-	-	-	22,684	39,259	-	-	-	-	90,384	565,585
Mark Davidovic General Manager - Civil and Infrastructure	2020	481,950	-	32,933	-	-	25,000	-	-	-	-	96,348	636,231
	2019	464,100	-	-	-	-	25,203	-	-	-	-	96,045	585,348
Peter Gilford Chief Financial Officer / Company Secretary	2020	390,000	-	-	-	18,136	25,000	-	-	-	-	80,897	514,033
	2019	379,014	-	-	-	24,918	23,544	-	-	-	-	79,563	507,039
Total compensation for Executives	**2020**	**1,725,285**	**-**	**51,530**	**-**	**36,899**	**121,355**	**-**	**-**	**-**	**-**	**347,482**	**2,282,551**
	2019	**1,658,771**	**-**	**-**	**-**	**47,602**	**123,859**	**-**	**-**	**-**	**-**	**347,519**	**2,177,751**

5.11 KMP REMUNERATION (CONTINUED)

		Short-term benefits					Post-employment benefits		Long-term benefits		Equity-settled sharebased payments		
		Salary, fees and leave	Comm-ittee fees	Cash bonus/ STI	Non-monetary	Other	Super-annuation	Other	Incentive plans	LSL	Share / Units	Options / Rights	Total
	Year	$	$	$	$	$	$	$	$	$	$	$	$
Former KMP													
Chirs Tuckwell Managing Director - Chief Executive Officer	2020	665,471	-	-	-	29,589	19,230	52,804	-	-	-	109,249	876,343
	2019	652,423	-	-	-	44,384	25,000	-	-	-	-	168,171	889,978
David Kent General Manager - Corporate Services	2020	-	-	-	-	-	-	-	-	-	-	-	-
	2019	405,150	-	-	-	-	26,084	-	-	-	-	53,407	484,641
Mitch Wallace General Manager - Brazil Operations	2020	515,323	-	-	-	-	3,226	230,594	-	-	-	91,159	840,302
	2019	466,197	-	-	-	-	-	-	-	-	-	92,340	558,537
Total compensation for former KMP	**2020**	**1,180,794**	**-**	**-**	**-**	**29,589**	**22,456**	**283,398**	**-**	**-**	**-**	**200,408**	**1,716,645**
	2019	**1,523,770**	**-**	**-**	**-**	**44,384**	**51,084**	**-**	**-**	**-**	**-**	**313,918**	**1,933,156**
Total compensation for KMP	**2020**	**4,073,850**	**-**	**51,530**	**-**	**66,488**	**176,521**	**283,398**	**-**	**-**	**-**	**686,749**	**5,338,536**
	2019	**4,094,798**	**-**	**-**	**-**	**91,986**	**196,432**	**-**	**-**	**-**	**-**	**798,133**	**5,181,349**

[1] Linton Kirk was engaged on a contract basis through his business Kirk Mining Consultants to perform consulting work. The engagement was charged at hourly rates and is included in the amount of salary and fees above.

[2] Robert Ryan was engaged on a contract basis through his business Hensman Properties to perform consulting work in business development. The engagement was charged at hourly rates and is included in the amount of salary and fees above.

[3] Chris Sutherland resigned as a Non-Executive Director effective 10 September 2020.

REMUNERATION REPORT CONTINUED

5.11.2 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.

		Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
		Non-salary cash-based incentives	Shares / Units	Options / Rights	Fixed Salary / Fees	Total
	Year	%	%	%	%	%
Executive Directors						
Mike Sutton Managing Director / Chief Executive Officer	2020	-	-	-	100.0	100.0
	2019	-	-	-	-	-
Geoff Baker Operations Director	2020	-	-	20.5	79.5	100.0
	2019	-	-	19.4	80.6	100.0
Non-Executive Directors						
Andrew Edwards Chairman	2020	-	-	-	100.0	100.0
	2019	-	-	-	100.0	100.0
Linton Kirk Non-Executive Director	2020	-	-	-	100.0	100.0
	2019	-	-	-	100.0	100.0
Robert Ryan Non-Executive Director	2020	-	-	-	100.0	100.0
	2019	-	-	-	100.0	100.0
Chris Sutherland [4] Non-Executive Director	2020	-	-	-	100.0	100.0
	2019	-	-	-	n/a	n/a
Executives (KMP)						
David Greig Chief Operating Officer	2020	-	-	14.6	85.4	100.0
	2019	-	-	15.7	84.3	100.0
Tim Gooch General Manager - Mining	2020	3.2	-	15.5	81.3	100.0
	2019	-	-	16.0	84.0	100.0
Mark Davidovic General Manager - Civil and Infrastructure	2020	5.2	-	15.1	79.7	100.0
	2019	-	-	16.4	83.6	100.0
Peter Gilford Chief Financial Officer /Company Secretary	2020	-	-	15.8	84.2	100.0
	2019	-	-	15.7	84.3	100.0
Former KMP						
Chris Tuckwell [1] CEO/Managing Director	2020	-	-	12.5	87.5	100.0
	2019	-	-	20.7	79.3	100.0
David Kent [2] General Manager - Corporate Services	2020	-	-	-	-	100.0
	2019	-	-	11.0	89.0	100.0
Mitch Wallace [3] General Manager - Brazil Operations	2020	-	-	10.9	89.1	100.0
	2019	-	-	16.5	83.5	100.0

[1] *Chris Tuckwell - resigned as CEO/Managing Director - effective 28th February 2020.*

[2] *David Kent - resigned as General Manager - Corporate Services effective 28th June 2019.*

[3] *Mitch Wallace - resigned as General Manager - Brazil Operations effective 29th March 2020.*

[4] *Chris Sutherland - resigned as Non-Executive Director effective 10 September 2020*

6.0 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 for contract cessation
Mike 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
Geoff Baker Operations Director	3rd November 2010 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
David Greig Chief Operating Officer	18th July 2016 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
Tim Gooch General Manager - Mining	20th June 2011 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
Mark Davidovic General Manager - Civil and Infrastructure	20th February 2017 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
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

REMUNERATION REPORT CONTINUED

7.0 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 $600,000. 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 Directors	$ / Chairman	Member
Andrew Edwards	$155,000 Board	Audit Committee Risk Committee Remuneration Committee
Linton Kirk	$92,700	Audit Committee Risk Committee Remuneration Committee
Robert Ryan	$92,700	Audit Committee Risk committee Remuneration Committee
Chirs Sutherland [1]	$29,604	Audit Committee Risk committee Remuneration Committee

[1] Chris Sutherland - resigned as Non-Executive Director effective 10 September 2020

8.0 OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONS AND/OR RELATED PARTIES

Key management person and/or related party	Transaction	2020 $	2019 $
Partnership of which current director Mr G Baker is a 25% partner.	Expense - Rent on Division St business premises.	1,547,850	1,520,000
Kirk Mining Consultants - a company controlled by current director Mr L Kirk.	Expense - Mining consulting fees	41,187	9,504
Hensman Properties Pty Ltd - a company controlled by current director Mr R. Ryan.	Expense - Consulting fees	18,881	4,719
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.	Expense - Hire of equipment and purchase of equipment, parts and services.	4,974,153	2,456,742
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.	Sale of equipment (Revenue)	430,000	-
Amounts payable at year end arising from the above transactions (Receivables Nil).			
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.		150,244	177,241

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

On behalf of the Directors

Mike Sutton
Managing Director

25th day of September, 2020
Perth

AUDITOR'S INDEPENDENCE DECLARATION

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www.moore-australia.com.au

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 2020 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 MOORE AUSTRALIA AUDIT (WA) CHARTERED ACCOUNTANTS

Signed at Perth this 25th day of September 2020

Moore Australia Audit (WA) – ABN 16 874 357 907.
An independent member of Moore Global Network Limited - members in principal cities throughout the world.
Liability limited by a scheme approved under Professional Standards Legislation

CORPORATE GOVERNANCE STATEMENT CHECKLIST

The Board of MACA Limited is committed to ensuring that the Company's obligations and responsibilities to its stakeholders are fulfilled through its corporate governance practices. MACA's Vision is to "Be Number 1 in what we do", and we achieve this by demonstrating the Core Values of the Company – People First, Exceed Expectations, Continuous Improvement, Accountability and Community. Our Core Values are underpinned by our commitment to our Promise – We Care, We are Flexible and We Deliver. We believe that operating in accordance with the corporate governance guidelines enhances the delivery of the above expectations.

This checklist reports on MACA's key governance principles and practices which are reviewed and revised as appropriate to reflect changes in law and developments in corporate governance. A complete Corporate Governance Statement and all Charters, Policies, Procedures, Disclosures, Definitions, Codes and Strategies are available for viewing on the Company's website under the Corporate Governance tab.

As required by the Australian Securities Exchange Limited ("ASX") Listing Rules, the Corporate Governance Statement contained on the Company website and in reference to this checklist reports on:

- The extent to which the Company has followed the Corporate Governance recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition); and
- The reasons for any departures from the Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), in compliance with the "if not, why not" regime.

OVERALL APPROACH TO CORPORATE GOVERNANCE

The Board as a whole reviews and makes changes in line with recommendations made by individual Board members and as a result of this focus, the Board is satisfied that the Company meets the Corporate Governance Council's Corporate Governance Principles and Recommendations with departures as disclosed below. There were no departures during the year.
A checklist cross-referencing the Corporate Governance Council's Corporate Governance Principles and Recommendations to the relevant sections of the Companies Corporate Governance Statement (CGS) is shown below.

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.	✓
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	1.1 Board Charter in CGS ✓
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	1.2 Board Charter in CGS ✓
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	1.3 Remuneration Report in CGS ✓
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	1.4 Board Charter in CGS ✓

CORPORATE GOVERNANCE STATEMENT CHECKLIST CONTINUED

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; (3) either: (A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.	1.5 ✓ Diversity Procedure in CGS
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	1.6 ✓ Disclosure - Performance Evaluation in CGS
Recommendation 1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	1.7 ✓ Disclosure - Performance Evaluation in CGS
PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE The board of a listed entity should be an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.	
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	2.1 ✓ Directors Report Board Charter in CGS Nomination Committee Charter in CGS

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
Recommendation 2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.	2.2 ✓
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a Director has an interest, position, or relationship of the type described in the recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	2.3 ✓ Definition of Independence in CGS
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	2.4 ✓
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	2.5 ✓
Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	2.6 ✓ Board Charter in CGS Nomination Committee Charter in CGS
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.	
Recommendation 3.1 A listed entity should articulate and disclose its values.	3.1 ✓ Corporate Code of Conduct in CGS
Recommendation 3.2 A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	3.2 ✓ Corporate Code of Conduct in CGS
Recommendation 3.3 A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	3.3 ✓ Whistleblower Procedure in CGS
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	3.4 ✓ Anti-Bribery and Corruption Procedure in CGS

CORPORATE GOVERNANCE STATEMENT CHECKLIST CONTINUED

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS A listed entity should have appropriate processes to verify the integrity of its corporate reports.	
Recommendation 4.1 The board of a listed entity should : (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	4.1 ✓ Audit Committee Charter in CGS
Recommendation 4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Managing Director and Chief Financial Officer a declaration that, in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	4.2 ✓
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	4.3 ✓
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.	
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	5.1 ✓ Continuous Disclosure in CGS Compliance Procedure in CGS
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material announcements promptly after they have been made.	5.2 ✓
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	5.3 ✓

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.	
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	6.1 ✓ Shareholder Communication Strategy in CGS
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	6.2 ✓
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	6.3 ✓ Investor Centre in CGS
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	6.4 ✓ Shareholder Communication Strategy in CGS
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	6.4 ✓ Shareholder Communication Strategy in CGS
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.	
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	7.1 ✓ Risk Committee Charter in CGS
Recommendation 7.2 The board or a committee of the board should: (a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	7.2 ✓ Disclosure - Risk Management in CGS

CORPORATE GOVERNANCE STATEMENT CHECKLIST CONTINUED

ASX CORPORATE GOVERNANCE PRINCIPLES AND BEST PRACTICE RECOMMENDATIONS	REFERENCE AND IF COMPLIANT
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; and (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	7.3 ✓ In CGS
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages those risks.	7.4 ✓ In CGS
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.	
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	8.1 ✓ Remuneration Report in CGS Remuneration Committee Charter in CGS
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	8.2 ✓ Remuneration Report in CGS
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should : (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	8.3 ✓ Remuneration Report in CGS

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements set out on pages 57 to 100 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 2020 and of the performance for the year ended on that date of the company and consolidated group;

2. The Managing Director (acting as 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:

Mike Sutton
Chief Executive Officer and Managing Director

Dated at 25th September 2020

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2020

	Section	**30 June 2020 $'000**	30 June 2019 $'000
Continuing Operations			
Revenue	3.1(a)	**795,755**	639,948
Other Income	3.1(b)	**38,013**	31,674
Direct Costs		**(748,000)**	(621,152)
Finance Costs		**(6,468)**	(3,391)
Impairment of Assets	3.1(c)	**(51,602)**	-
Fair Value Gains / (Losses) on Financial Assets		**-**	(404)
Foreign Exchange Gains / (Losses)		**1,415**	1,667
Other Expenses from Ordinary Activities		**(23,044)**	(16,327)
Profit Before Income Tax		**6,069**	32,015
Income Tax Expense	3.6.1(a)	**(2,486)**	(9,593)
Profit After Tax from Continuing Operations		**3,583**	22,422
Discontinued Operations			
Profit / (Loss) After Tax from Discontinued Operations	3.7	**(10,472)**	(7)
Transfer of Foreign Exchange Reserve on Discontinued Operations	5.6	**(10,567)**	-
Profit / (Loss) for the Year		**(17,456)**	22,415
Other Comprehensive Income:			
Exchange Differences on Translating Foreign Operations	5.6	**(2,072)**	4,155
Transfer of Foreign Exchange Reserve on Discontinued Operations	5.6	**10,567**	-
Total Comprehensive Income for the Year		**(8,961)**	26,570
Profit / (Loss) Attributable to:			
- Non-Controlling Interest		**418**	1,841
- Members of the Parent Entity		**(17,874)**	20,574
		(17,456)	22,415
Total Comprehensive Income Attributable to:			
- Non-Controlling Interest		**418**	1,841
- Members of the Parent Entity		**(9,379)**	24,729
		(8,961)	26,570
Earnings per Share			
From Continuing and Discontinued Operations:			
- Basic Earnings per Share (cents)	3.8	**(6.67)**	7.68
- Diluted Earnings per Share (cents)	3.8	**(6.57)**	7.60
From Continuing Operations:			
- Basic Earnings per Share (cents)	3.8	**1.18**	7.68
- Diluted Earnings per Share (cents)	3.8	**1.16**	7.60
From Discontinued Operations:			
- Basic Earnings per Share (cents)	3.8	**(7.85)**	0.00
- Diluted Earnings per Share (cents)	3.8	**(7.74)**	0.00

* The comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2019 has been restated to conform with AASB 5: Non-Current Assets Held for Sale and Discontinued Operations.

The accompanying Sections form part of these Financial Statements

CONSOLIDATED STATEMENT OF

FINANCIAL POSITION

As at 30 June 2020

	Section	30 June 2020 $'000	30 June 2019 $'000
Current Assets			
Cash and Cash Equivalents	5.1.1	114,650	59,292
Trade and Other Receivables	4.1	154,329	175,649
Loans to Other Companies	4.1	-	22,300
Inventory	4.2	12,438	14,306
Work In Progress	4.2	1,201	1,717
Other Financial Assets	4.1	69	7,076
Other Assets	4.3	5,550	1,815
Total Current Assets		**288,237**	**282,155**
Non-Current Assets			
Trade and Other Receivables	4.1	-	15,139
Property, Plant and Equipment*	4.4	293,318	238,280
Loans to Other Companies	4.1	26,841	25,655
Other Financial Assets	4.1	-	6,514
Goodwill	4.5	-	3,187
Deferred Tax Assets	3.6.2(a)	23,559	13,513
Total Non-Current Assets		**343,718**	**302,288**
Total Assets		**631,955**	**584,443**
Current Liabilities			
Trade and Other Payables	4.6	116,078	87,942
Interest Bearing Liabilities	5.2.1	55,127	42,272
Current Tax Liabilities	3.6.2(b)	2,169	3,732
Short-Term Provisions	4.7	15,976	13,657
Total Current Liabilities		**189,350**	**147,603**
Non-Current Liabilities			
Deferred Tax Liabilities	3.6.2(b)	-	4,326
Interest Bearing Liabilities	5.2.1	132,945	99,848
Total Non-Current Liabilities		**132,945**	**104,174**
Total Liabilities		**322,295**	**251,777**
Net Assets		**309,660**	**332,666**
Equity			
Issued Capital	5.5	269,806	269,806
Reserves	5.6	(5,298)	(13,793)
Retained Profits		41,619	73,496
Parent Interest		306,127	329,509
Non-Controlling Interest		3,533	3,157
Total Equity		**309,660**	**332,666**

*Includes Right-Of-Use Assets

The accompanying Sections form part of these Financial Statements

CONSOLIDATED STATEMENT OF

CHANGES OF EQUITY

For the Year Ended 30 June 2020

	Issued Capital $'000	Retained Profits $'000	Outside Equity Interest $'000	General Reserves $'000	Option Reserve $'000	FX Reserve $'000	Total $'000
Balance at 1 Jul 2018	269,806	67,662	1,316	(5,888)	590	(12,650)	320,836
Profit / (Loss) for the Year	-	20,574	1,841	-	-	-	22,415
SUB-TOTAL	**269,806**	**88,236**	**3,157**	**(5,888)**	**590**	**(12,650)**	**343,251**
Other Comprehensive Income:							
Forex in Translating Foreign Operations	-	-	-	-	-	4,155	4,155
SUB-TOTAL	**269,806**	**88,236**	**3,157**	**(5,888)**	**590**	**(8,495)**	**347,406**
Dividends Paid	-	(14,740)	-	-	-	-	(14,740)
Balance at 30 Jun 2019	**269,806**	**73,496**	**3,157**	**(5,888)**	**590**	**(8,495)**	**332,666**
Balance at 1 Jul 2019	269,806	73,496	3,157	(5,888)	590	(8,495)	332,666
Effect of AASB16	-	(603)	(42)	-	-	-	(645)
Restated Balance at 1 Jul 2019	**269,806**	**72,893**	**3,115**	**(5,888)**	**590**	**(8,495)**	**332,021**
Profit / (Loss) for the Year	-	(17,874)	418	-	-	-	(17,456)
SUB-TOTAL	**269,806**	**55,019**	**3,533**	**(5,888)**	**590**	**(8,495)**	**314,565**
Other Comprehensive Income:							
Forex in Translating Foreign Operations	-	-	-	-	-	(2,072)	(2,072)
Transfer of FX Reserve on Discontinued Operations	-	-	-	-	-	10,567	10,567
SUB-TOTAL	**269,806**	**55,019**	**3,533**	**(5,888)**	**590**	**-**	**323,060**
Dividends Paid	-	(13,400)	-	-	-	-	(13,400)
Balance at 30 Jun 2020	**269,806**	**41,619**	**3,533**	**(5,888)**	**590**	**-**	**309,660**

The accompanying Sections form part of these Financial Statements.

CONSOLIDATED STATEMENT OF

CASH FLOWS

For the Year Ended 30 June 2020

	Section	30 June 2020 $'000	30 June 2019 $'000
Cash Flows From Operating Activities			
Receipts from Customers		787,478	629,567
Payments to Suppliers and Employees		(652,119)	(568,027)
Interest Received		3,292	8,055
Interest Paid		(6,834)	(4,109)
Income Tax Paid		(15,187)	(7,965)
Net Cash Provided By / (Used In) Operating Activities	5.1.2	116,630	57,521
Cash Flow From Investing Activities			
Proceeds from Sale of Investments		19,836	10,348
Proceeds from Sale of Property, Plant and Equipment		7,735	1,620
Purchase of Property, Plant and Equipment*		(63,444)	(89,318)
Net Loans Repaid by / (Provided to) Customers		22,591	(19,925)
Purchase of Investments		(5,435)	(19,755)
Net Cash Provided By / (Used In) Investing Activities		(18,717)	(117,030)
Cash Flow From Financing Activities			
Proceeds from Borrowings*		23,821	47,965
Repayment of Borrowings		(52,975)	(27,337)
Dividends Paid by the Parent		(13,400)	(14,741)
Net Cash Provided by / (Used In) Financing Activities		(42,554)	5,887
Net Increase/(Decrease) in Cash Held		**55,359**	**(53,622)**
Effect of Forex Rate Changes		(1)	4,675
Cash and Cash Equivalents at the Beginning of the Year		59,292	108,239
Cash and Equivalents at the End of the Year	5.1.1	114,650	59,292

* Non-Cash Financing and Investing Activities

During the period ended 30 June 2020 the Group acquired $61.1 million (2019: $76.6m) 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.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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 places 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 25th September 2020.

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 2020 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. Losses incurred by the Group are attributed to the non-controlling interest in full.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

1.4 NEW ACCOUNTING STANDARDS APPLIED DURING THE PERIOD

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed in the note below:

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

a. Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group, where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

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.

b. Initial Application of AASB 16: Leases

The Group has adopted AASB 16 using the modified retrospective approach from 1 July 2019 and as such has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising under AASB 16 are therefore recognised in the opening balance sheet on 1 July 2019.

The Group has recognised a lease liability and right-of-use asset for all leases, except for the short-term and low-value leases which are recognised as operating leases under AASB 117: Leases where the Group is the lessee.

There has been no significant change from prior year treatment for leases where the Group is a lessor.

Lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets were measured at the carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the Group's incremental borrowing rate per lease term as at 1 July 2019.

The right-of-use assets for the remaining leases have been measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

1.4 NEW ACCOUNTING STANDARDS APPLIED DURING THE PERIOD (CONTINUED)

- the use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The Group's weighted average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 4%.

The effect of the application of AASB 16 in respect to the operating lease under AASB 117 on the statement of financial position on 1 July 2019 was as follows:

Impact of the Application of AASB 16	Section	1 July 2019 $'000
Right-of-Use Assets (net of accumulated depreciation of $3.04m)	4.4	13,138
Total impact on assets		13,138
Lease Liabilities	5.2.1	13,783
Total impact on liabilities		13,783
Net impact on retained earnings		(645)

Refer to Section 3.4, 4.4 and 5.2 for details of the impact on the financial statements

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 2020 reporting period and have not been early adopted in preparing these financial statements.

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.

SECTION 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 and Loans to Other Companies

As at 30 June 2020, the Group's trade and other receivables and loans to other companies amounted to $229.6m (30 June 2019: $238.74m), before recognition of any impairment.

Based on the Group's historical credit loss experience and forward looking macroeconomic data, 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. Receivables identified within each revenue segment, are then evaluated on an individual basis. Management has assessed that trade receivable with Carabella Resources Pty Ltd is credit impaired and has made a provision through the profit and loss of $48.4 million, this reflects the lifetime expected credit loss. There were no further receivables that were considered material and impaired.

2.0 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

In the assessment of loans to other companies, no overdue payments were outstanding for greater than 12 months and the loan to Carabella Resources Pty Ltd has first ranking securities over the company assets. (Refer to Section 5.3 for details)

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.

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 and leasing 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 1% of the Group's trading revenue. This is noted under note 3.2 Operating Segments and refers only to Interquip revenues of which 22% 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.

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).

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

3.1 REVENUE (CONTINUED)

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

Continuing Operations	Section	30 June 2020 $'000	30 June 2019 $'000
3.1(a) Revenue from Operating Activities			
Contract Trading Revenue		790,058	634,429
Interest Received		3,223	5,124
Other Revenue		2,474	395
Total Revenue from Operating Activities		**795,755**	**639,948**
3.1(b) Other Income			
Profit / (Loss) on Disposal of Property, Plant and Equipment		3,402	1,030
Profit / (Loss) on Sale of Investments		(299)	188
Rebates		34,910	30,456
Total Other Income		**38,013**	**31,674**
3.1(c) Impairment of Assets			
Impairment of Receivables	4.1	48,415	-
Impairment of Goodwill	4.5	3,187	-
Total Impairment		**51,602**	**-**

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 business and two geographical segments, being the provision of civil, SMP and contract mining services throughout Australia and mining services to the mining industry in Brazil, South America. Operations in Brazil have been discontinued during the year 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, head office and other administration expenditure

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

3.2 OPERATING SEGMENTS (CONTINUED)

Consolidated - June 2020	Mining $'000	Civil/ Infrastructure $'000	Interquip $'000	Unallocated $'000	Total $'000
Revenue					
Reportable Segment Revenue[1]	570,774	191,173	30,797	3,011	795,755
Other Revenue	36,324	(42)	(3)	1,734	38,013
Total Revenue	**607,098**	**191,131**	**30,794**	**4,745**	**833,768**
EBITDA*	**111,698**	**13,083**	**2,105**	**2,584**	**129,470**
Depreciation and Amortisation	(66,248)	(1,285)	(1,021)	-	(68,554)
Impairment	(48,415)	(3,187)	-	-	(51,602)
Interest Revenue	1,785	24	4	1,410	3,223
Finance Costs	(6,235)	(156)	(53)	(24)	(6,468)
Net Profit/(Loss) Before Tax	**(7,415)**	**8,479**	**1,035**	**3,970**	**6,069**
Income Tax Expense					(2,486)
Net Profit After Tax					**3,583**
Net Loss After Tax from Discontinued Operations					(21,039)
Profit / (Loss) for the Year					**(17,456)**
Assets					
Segment Assets	470,246	71,260	21,463	68,986	631,955
Total Assets					**631,955**
Liabilities					
Segment Liabilities	266,642	49,749	4,185	1,719	322,295
Total Liabilities					**322,295**
Capital Expenditure	**117,975**	**6,037**	**513**	**-**	**124,525**

[1]Excludes revenue of $12.2m from discontinued operation from Brazil

*EBITDA is Earnings Before Interest, Income Tax, Depreciation and Amortisation of Continuing Operations

22% of Interquip segment revenue has been derived at a point in time. This represents only 1% of the Group's total trading revenue. All other Group revenue is derived over time.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

3.2 OPERATING SEGMENTS (CONTINUED)

Consolidated - June 2019	Mining $'000	Civil/ Infrastructure $'000	Interquip $'000	Unallocated $'000	Total $'000
Revenue					
Reportable Segment Revenue[1]	447,691	138,920	50,530	2,807	639,948
Other Revenue	30,920	10	2	742	31,674
Total Revenue	**478,611**	**138,930**	**50,532**	**3,549**	**671,622**
EBITDA*	**63,151**	**(1,405)**	**5,761**	**792**	**68,299**
Depreciation and Amortisation	(36,204)	(1,041)	(772)	-	(38,017)
Impairment	-	-	-	-	-
Interest Revenue	2,254	15	48	2,807	5,124
Finance Costs	(3,192)	(180)	(19)	-	(3,391)
Net Profit/(Loss) Before Tax	**26,009**	**(2,611)**	**5,018**	**3,599**	**32,015**
Income Tax Expense					(9,593)
Net Profit After Tax					**22,422**
Net Loss After Tax from Discontinued Operations					(7)
Profit for the Year					**22,415**
Assets					
Segment Assets	451,635	31,234	26,785	74,789	584,443
Total Assets					**584,443**
Liabilities					
Segment Liabilities	214,136	24,219	8,903	4,519	251,777
Total Liabilities					**251,777**
Capital Expenditure	**164,675**	**491**	**754**	**-**	**165,920**

[1]Excludes revenue of $25.8m from discontinued operation from Brazil

*EBITDA is Earnings Before Interest, Income Tax, Depreciation and Amortisation of Continuing Operations

	Revenue		Non-Current Assets	
Geographical Information	**30 June 2020 $'000**	30 June 2019 $'000	**30 June 2020 $'000**	30 June 2019 $'000
Australia	**795,755**	639,948	**333,292**	266,492
Brazil (Discontinued Operations)	**12,186**	25,772	**10,426**	35,796
Total	**807,941**	665,720	**343,718**	302,288

Major Customers

The Group has a number of customers to whom it provides both products and services. The Group supplies 3 single external customers in the mining segment which account for 31.4%, 10.9% and 8.5% of external revenue. (2019: 35.6%, 9% and 7.9%). The next most significant client across the Group accounts for 10.9% (2019: 7.2%) of external revenue.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

3.3 OPERATING COSTS FROM CONTINUING OPERATIONS

Expenses	Section	30 June 2020 $'000	30 June 2019 $'000
Depreciation and Amortisation			
– Plant and Equipment		**65,582**	37,107
– Motor Vehicles		**509**	662
– Other		**2,463**	248
Total Depreciation and Amortisation Expense*	3.2	**68,554**	38,017

*The amount above excludes the depreciation of $3.46m (2019: $4.65m) for discontinued operations.

Employee Benefits Expense		**289,988**	273,202
Repairs, Service and Maintenance		**55,360**	53,029
Materials and Supplies		**129,244**	122,178

3.4 CAPITAL AND LEASING COMMITMENTS

Accounting Policies

Leases

AASB 16 Leases has been 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. These are detailed in the Changes in Accounting Policies Note, Note 4.4 and 5.2. 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 2020 $'000	30 June 2019 $'000
(a) Operating Lease Commitments		
Non-Cancellable Operating Leases Contracted For but Not Capitalised in the accounts:		
Payable — Minimum Lease Payments		
– Not Later Than 12 Months	-	2,979
– Between 12 Months and 5 Years	-	8,817
– Greater Than 5 Years	-	4,268
Total Operating Lease Commitments	-	16,064
(b) Capital Expenditure Commitments		
Plant and Equipment Purchases		
Payable		
– Not Later Than 12 Months	**40,300**	21,100
– Between 12 Months and 5 Years	-	-
– Greater Than 5 Years	-	-
Total Minimum Commitments	**40,300**	21,100

$40.3m of commitments for property, plant and equipment expenditure existed at 30 June 2020 (2019: $21.1m). These commitments are largely associated with the Okvau and Corunna Downs projects for EMR and Atlas Iron respectively.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

3.5 AUDITOR'S REMUNERATION

Auditor's Remuneration - Moore Australia (WA)	30 June 2020 $'000	30 June 2019 $'000
Audit or Review of the Financial Report	**239**	230
Other Non-Audit Services	**-**	-
Taxation Services	**-**	-
Total Auditor's Remuneration	**239**	230

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.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

3.6 TAXATION (CONTINUED)

Continuing Operations	30 June 2020 $'000	30 June 2019 $'000
3.6.1 Income Tax Expense		
(a) The Components of Tax Expense Comprise:		
Current	**16,858**	10,494
Deferred	**(14,372)**	(901)
Income Tax Expense	**2,486**	9,593
(b) Reconciliation:		
Prima Facie Tax Payable on Profit From Ordinary Activities Before Income Tax at 30% (2019: 30%)	**1,821**	9,605
Add Tax Effect of		
– Dividend Imputation	**1,723**	1,895
– Other Non-Allowable Items	**412**	124
– Other Taxable Items	**5,017**	4,286
– Under/(Over) provision of Prior Years' Tax Expense	**(277)**	-
Less Tax Effect of		
– Franking Credits on Dividends Received	**(5,743)**	(6,317)
– Other Deductible Items	**(467)**	-
Income tax attributable to the Group	**2,486**	9,593
The Applicable Weighted Average Effective Tax Rate as*	**41%**	30%

*Permanent tax difference of $1m arising from the impairment of goodwill has increased the tax rate from 30% to 41% for the year.

	Section	30 June 2020 $'000	30 June 2019 $'000
3.6.2 Tax Assets and Liabilities			
(a) Tax Assets			
Non-Current			
Deferred Tax Assets comprise:			
Provisions	3.6.3(c)	**5,725**	4,671
Losses	3.6.3(c)	**2,733**	8,293
Other	3.6.3(c)	**15,101**	549
Total Non-Current Tax Assets		**23,559**	13,513
(b) Tax Liabilities			
Current			
Income tax		**2,169**	3,732
Total Current Tax Liabilities		**2,169**	3,732
Non-Current			
Deferred Tax Liabilities comprises:			
Depreciation		**-**	4,306
Other		**-**	20
Total Non-Current Tax Liabilities	3.6.3(b)	**-**	4,326

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

3.6 TAXATION (CONTINUED)

	30 June 2020 $'000	30 June 2019 $'000
3.6.3 Reconciliations		
(a) Gross Movements		
The Overall Movement In the Deferred Tax Account is as follows		
Opening Balance	**9,187**	8,305
(Charge)/Credit To Income Statement	**14,372**	882
(Charge)/Credit To Equity	**-**	-
Closing Balance	**23,559**	9,187
(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	**4,326**	2,959
Charge/(Credit) To Income Statement	**(4,326)**	1,367
Charge/(Credit) To Equity	**-**	-
Closing Balance	**-**	4,326
(c) Deferred Tax Assets		
The Movement In Deferred Tax Assets For Each Temporary Difference During the Year is as follows:		
Provisions:		
Opening Balance	**4,671**	3,980
Credit To Income Statement	**1,054**	691
Closing Balance	**5,725**	4,671
Losses:		
Opening Balance	**8,293**	6,585
(Charge)/Credit To Income Statement	**(5,560)**	1,708
Closing Balance	**2,733**	8,293
Other:		
Opening Balance	**549**	700
(Charge)/Credit To Income Statement	**14,552**	(151)
Charge/(Credit) To Equity	**-**	-
Closing Balance	**15,101**	549

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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 coordinated 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).

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 is in the progress of relocating the plant and equipment back to Australia for deployment to existing and new projects.

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

	30 June 2020 $'000	30 June 2019 $'000
Revenue	**12,186**	25,772
Other Income	**211**	(401)
Direct Costs	**(21,426)**	(24,717)
Impairment	**(1,952)**	-
Finance Costs	**(365)**	(718)
Foreign Exchange Gains / (Losses)	**(2,358)**	54
Profit / (Loss) Before Income Tax	**(13,704)**	(10)
Income Tax Expense	**3,232**	3
Profit / (Loss) After Tax from Discontinued Operations	**(10,472)**	(7)

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	**27,240**	17,170
Net Cash Provided By / (Used In) Investing Activities	**1,603**	(3,308)
Net Cash Provided By / (Used In) Financing Activities*	**(38,778)**	(6,612)
Net Cash Increase / (Decrease) in Cash Held	**(9,935)**	7,250

*Included in the net cash used in financing activities for the year ended 30 June 2020, is an amount of $29.3m loan repayment made to the parent entity.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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 2020 $'000	30 June 2019 $'000
Reconciliation Of Earnings To Profit and Loss		
Profit After Tax from Continuing Operations	**3,583**	22,422
(Profit) / Loss Attributable To Non-Controlling Interest	**(418)**	(1,841)
Profit Attributable to Members of Parent Entity from Continuing Operations	**3,165**	20,581
Profit / (Loss) Attributable to Members of Parent Entity from Discontinued Operations	**(21,039)**	(7)
Profit / (Loss) Attributable to Members of Parent Entity from Continuing and Discontinued Operations	**(17,874)**	20,574
From Continuing and Discontinued Operations		
Earnings Used To Calculate Basic EPS	**(17,874)**	20,574
Earnings Used in the Calculation of Dilutive EPS	**(17,874)**	20,574
From Continuing Operations		
Earnings Used To Calculate Basic EPS	**3,165**	20,581
Earnings Used in the Calculation of Dilutive EPS	**3,165**	20,581
From Discontinued Operations		
Earnings Used To Calculate Basic EPS	**(21,039)**	(7)
Earnings Used in the Calculation of Dilutive EPS	**(21,039)**	(7)
Weighted Avg. No. of Ord. Shares Outstanding During the Year (Basic EPS) **('000)**	**268,008**	268,008
Weighted Average Number of Dilutive Options Outstanding **('000)**	**3,879**	2,592
Weighted Avg. No. of Ord. Shares Outstanding During the Year (Diluted EPS) **('000)**	**271,887**	270,600

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.

Trade and Other Receivables	30 June 2020 $'000	30 June 2019 $'000
Trade and Other Debtors - Current	**191,554**	155,405
Less: Provision for Impairment	**(48,415)**	-
	143,139	155,405
Debtors Subject to Payment Arrangements - Current	**11,190**	20,244
Total Current	**154,329**	175,649
Debtors Subject to Payment Arrangements - Non-Current	**-**	15,139
Total Trade and Other Receivables	**154,329**	190,788
Loans to Other Companies		
Loans to Other Companies - Current	**-**	22,300
Loans to Other Companies - Non-Current	**26,841**	25,655
Total Loans to Other Companies	**26,841**	47,955
Other Financial Assets		
Shares in Listed Corporations at Fair Value - Current	**69**	7,076
Shares in Listed Corporations at Fair Value - Non-Current	**-**	6,514
Total Other Financial Assets	**69**	13,590

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.1 TRADE AND OTHER RECEIVABLES, LOANS TO OTHER COMPANIES AND OTHER FINANCIAL ASSETS (CONTINUED)

Credit Risk

The Group has approximately 22% (2019: 23.4%) 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" and "loans to other companies" are considered to be the main source of credit risk related to the Group.

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. 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 2020				
Trade and Term Receivables	198,049	48,415	18,806	130,828
Other Receivables	4,695	-	-	4,695
Total Trade and Other Receivables	**202,744**	**48,415**	**18,806**	**135,523**
30 June 2019				
Trade and Term Receivables	175,649	-	30,686	144,963
Other Receivables	15,139	-	15,139	-
Total Trade and Other Receivables	**190,788**	**-**	**45,825**	**144,963**

Receivables and Loans as Financial Assets measured at Amortised Cost	30 June 2020 $'000	30 June 2019 $'000
Trade and Other Receivables		
- Total Current (net of impairment)	**154,329**	175,649
- Total Non-Current	**-**	15,139
	154,329	190,788
Loans to Other Companies		
- Total Current	**-**	22,300
- Total Non-Current (Secured)*	**26,841**	25,655
	26,841	47,955

* Loan to Carabella Resources Pty Ltd has first ranking securities over the company assets, being mining and exploration tenements.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.2 INVENTORY AND WORK IN PROGRESS (WIP)

Accounting Policies

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

Inventory and Work In Progress (WIP)	30 June 2020 $'000	30 June 2019 $'000
Inventory	**12,438**	14,306
WIP	**1,201**	1,717
Total Inventory and Work in Progress (WIP)	**13,639**	16,023

4.3 OTHER CURRENT ASSETS

Other Current Assets	30 June 2020 $'000	30 June 2019 $'000
Prepayments	**777**	894
Deposit*	**4,773**	921
Total Other Current Assets	**5,550**	1,815

*Included in the balance as at 30 June 2020, amount of $4.6m is cash deposit-backed security bonds.

4.4 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

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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	2.50%
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

As permitted by AASB 16, the carrying amount of $163.76m as at 1 July 2019 for the plant and equipment and motor vehicles that were under finance lease arrangement have been reclassified as Right-Of-Use Assets ("ROUA"). No restatement of comparative figures has been made.

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.

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:

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	30 June 2020 $'000	30 June 2019 $'000
Plant and Equipment – at Cost		
- Owned	**405,691**	634,613
- Right-Of-Use Assets	**276,951**	-
Total Cost	**682,642**	634,613
Accumulated Depreciation		
- Owned	**(325,162)**	(403,198)
- Right-Of-Use Assets	**(82,003)**	-
Total Accumulated Depreciation	**(407,165)**	(403,198)
Carrying Amount - Plant and Equipment	**275,477**	231,415
Motor Vehicles – at Cost		
- Owned	**4,370**	10,005
- Right-Of-Use Assets	**3,752**	-
Total Cost	**8,122**	10,005
Accumulated Depreciation		
- Owned	**(3,807)**	(7,311)
- Right-Of-Use Assets	**(2,126)**	-
Total Accumulated Depreciation	**(5,933)**	(7,311)
Carrying Amount - Motor Vehicles	**2,189**	2,694
Land and Building		
- Owned at Fair Value	**3,272**	3,272
- Right-Of-Use Assets	**16,458**	-
Total	**19,730**	3,272
Accumulated Depreciation		
- Owned at Fair Value	**(487)**	(464)
- Right-Of-Use Assets	**(5,018)**	-
Total Accumulated Depreciation	**(5,505)**	(464)
Carrying Amount - Land and Building	**14,225**	2,808
Low Value Pool – at Cost	**481**	466
Accumulated Depreciation	**(416)**	(372)
Carrying Amount - Low Value Pool	**65**	94
Leasehold Improvements – at Cost	**2,980**	2,591
Accumulated Depreciation	**(1,618)**	(1,322)
Carrying Amount - Leasehold Improvements	**1,362**	1,269
Total Carrying Amounts - Owned	**85,304**	238,280
Total Carrying Amounts - Right-Of-Use Assets	**208,014**	-
Total Carrying Amounts - Property, Plant and Equipment	**293,318**	238,280

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

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 and 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 2020:

- The carrying amount of the Group's net assets exceed the Company's market capitalisation as at 30 June 2020.

As a result, an assessment has been made of the recoverable amounts of each of the Operating Segments. The Groups Mining Services segment is split into Mining and Crushing CGU's for evaluation of impairment. Similarly, Civil and Infrastructures 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. Projected future cash flows from the continuing use of assets for FY21 have been based on current contracted work in hand plus an allowance for estimated new work, thereafter growth has been allowed at 2.3% with a terminal growth rate of 2.0% has been applied. The FY20 WACC rate has been applied to discount the projected cash flows of each of these CGU's to measure any impairment.

The assessment has resulted in no impairment to the plant and equipment employed in all the CGUs.

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.

Growth rates and discount rates applied are shown below.

Growth Rate

CGU	FY21	FY22	FY23	FY24	FY25q	Terminal Year
Crushing	5.00%	2.30%	2.30%	2.30%	2.30%	2.00%
Mining	12.00%	2.30%	2.30%	2.30%	2.30%	2.00%
Civil	10.00%	2.30%	2.30%	2.30%	2.30%	2.00%
Infrastructure	10.00%	2.30%	2.30%	2.30%	2.30%	2.00%
Interquip	10.00%	2.30%	2.30%	2.30%	2.30%	2.00%

	Post-Tax Discount Rate	Pre-Tax Discount rate
Discount Rate used in all CGU analysis	10.10%	11.10%

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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	60.1%	51.4%
Mining	19.9%	13.5%
Civil	42.8%	27.0%
Infrastructure *	see note 4.5 Impairment of Goodwill	
Interquip	33.6%	44.5%

* Infrastructure separated from Civil CGU to address the impact of COVID 19 on the State of Victoria.

Consolidated:	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 01 July 18	**107,268**	**3,153**	**2,832**	**-**	**128**	**1,404**	**114,785**
Additions	165,431	427	-	-	-	62	165,920
Disposals	(769)	(225)	-	-	(6)	-	(1,000)
Forex movements	1,238	-	-	-	-	-	1,238
Depreciation expense	(41,753)	(661)	(24)	-	(28)	(197)	(42,663)
Balance at 30 June 19	**231,415**	**2,694**	**2,808**	**-**	**94**	**1,269**	**238,280**
Balance at 01 July 19	**231,415**	**2,694**	**2,808**	**-**	**94**	**1,269**	**238,280**
Adoption of AASB 16							
- Reallocation from PPE	(161,888)	(1,867)	-	163,755	-	-	-
- Recognition of ROUA	-	-	-	13,138	-	-	13,138
Restated Bal. at 01 July 19	69,527	827	2,808	176,893	94	1,269	251,418
Additions	38,231	12	-	85,842	17	423	124,525
Disposals	(5,238)	(79)	-	-	-	(10)	(5,327)
Reallocation from ROUA	7,703	-	-	(7,703)	-	-	-
Forex movements	(5,100)	-	-	-	-	-	(5,100)
Depreciation expense	(24,594)	(197)	(23)	(47,018)	(46)	(320)	(72,198)
Balance at 30 June 20	**80,529**	**563**	**2,785**	**208,014**	**65**	**1,362**	**293,318**

AASB 16 related amounts recognised in the income statement for the year ended 30 June 2020	$'000
Depreciation charge related to right-of-use assets	47,018
Interest expense on lease liabilities (under finance cost)	6,834
Short-term leases expense	338

Depreciation and interest charged for the year ended 30 June 2020, in respect to the operating leases that were previously accounted for under AASB117, amounted to $2.46m.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.5 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.

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.

Goodwill	Section	30 June 2020 $'000	30 June 2019 $'000
Carrying Value of Goodwill		-	3,187

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.5 INTANGIBLE ASSETS (CONTINUED)

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.

The carrying amount of goodwill was allocated to cash generating units as follows:

Goodwill	Section	**30 June 2020 $'000**	30 June 2019 $'000
MACA Infrastructure		**3,187**	3,187
Less: Impairment		**(3,187)**	-
Goodwill Carrying Amount		**-**	3,187

Impairment Test for Goodwill

The recoverable amount of the goodwill in each cash generating unit is based on value in use calculations. These calculations use cash flow projections based on the FY21 current work in hand, thereafter the average growth rate of 2.3% for the forecast period. Project closures resulting from COVID19 is expected to have an impact on the first half of FY21 and has resulted in an impairment of goodwill of $3.2million.

The key assumptions used in the value in use calculations as at 30 June 2020 and 30 June 2019 were as follows:

- growth rate used to extrapolate cash flows beyond the terminal period: 2.0% (2019: 2.5%);
- discount rate: 10.4% (2019: 14.0%); and
- Revenue, EBIT, working capital adjustments and maintenance capital expenditure, based on established norms.

4.6 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.

Payables	Section	**30 June 2020 $'000**	30 June 2019 $'000
Current			
Unsecured Liabilities:			
Trade Creditors		**80,388**	69,263
Sundry Creditors and Accruals		**35,690**	18,679
Total Trade and Other Payables		**116,078**	87,942
Creditors are non-interest bearing and settled at various terms up to 45 days.			
Trade and Other Payables as Financial Liabilities measured at Amortised Cost			
Trade and Other Payables			
- Total Current		**116,078**	87,942
- Total Non-Current		**-**	-
Total Trade and Other Payables		**116,078**	87,942

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

4.7 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 2020 $'000	30 June 2019 $'000
Employee Entitlements	**15,976**	13,657
Movement in Provisions		
Opening Balance	**13,657**	11,838
Additional Provisions	**11,714**	8,598
Amounts Used	**(9,395)**	(6,779)
Closing balance	**15,976**	13,657

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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.

During FY20, the group complied with all the financial covenants of its borrowing facilities.

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.

	Section	30 June 2020 $'000	30 June 2019 $'000
5.1.1 CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents as Financial Assets measured at Amortised Cost		**114,650**	59,292
5.1.2 CASH FLOW INFORMATION			
Reconciliation of Cash Flow from Operations with Profit / (Loss) for the Year			
Profit / (Loss) for the Year		**(17,456)**	22,415
Non-Cash Flows in Profit			
Depreciation and Amortisation	4.4	**72,198**	42,663
Impairment	3.1(c) , 3.7	**53,554**	-
Net (Gains) / Losses on Disposal of Plant and Equipment		**(2,165)**	(630)
Net (Gains) / Losses on Disposal of Investments		**(846)**	216
Foreign Exchange (Gains) / Losses		**13,560**	(1,721)
Total Non-Cash Flows in Profit		**136,301**	40,528
Movements in Working Capital			
(Increase) / Decrease in Trade and Other Receivables		**(13,143)**	(27,372)
(Increase) / Decrease in Other Assets		**(4,026)**	(420)
(Increase) / Decrease in Inventories and Work-In-Progress		**432**	(4,397)
Increase / (Decrease) in Trade and Other Payables		**28,136**	23,323
Increase / (Decrease) in Income Tax Payable		**(1,562)**	2,506
Increase / (Decrease) in Deferred Tax		**(14,371)**	(880)
Increase / (Decrease) in Provisions		**2,319**	1,818
Total Working Capital Movements		**(2,215)**	(5,422)
Net Cash Increase / (Decrease) from Operating Activities		**116,630**	57,521

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

5.1 CASH AND CASH EQUIVALENTS (CONTINUED)

5.1.3 NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year the Group acquired $61.1 million in plant and equipment (2019: $76.6m) 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.

There were no business combinations for the year ended 30 June 2020 and 30 June 2019.

Shares Issued

During 2020 no shares were issued as a result of performance rights vesting to KMPs and other Executives (2019: nil).

Insurance Bonding and Bank Guarantee Facilities

The Group has insurance bonding and bank guarantee facilities totalling $43.8 million. At 30 June 2020 the amount drawn on the facilities was $23.6 million (2019: $15.4 million).

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.

	Section	**30 June 2020 $'000**	30 June 2019 $'000
5.2.1 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Current			
Secured Lease Liability		**52,941**	-
Unsecured Lease Liability		**2,186**	-
Finance Lease Liability		**-**	42,272
Total Current Interest Bearing Liabilities		**55,127**	42,272
Non-Current			
Secured Lease Liability		**122,772**	-
Unsecured Lease Liability		**10,173**	-
Finance Lease liability		**-**	40,528
Total Non-Current Interest Bearing Liabilities		**132,945**	99,848
Total Current and Non-Current Interest Bearing Liabilities		**188,072**	142,120
Carrying Amounts of Non-Current Assets Pledged as Security		**197,940**	161,695

Unsecured lease liabilities (in respect to operating lease under AASB 117) recognised in the statement of financial position at the date of initial application of AASB 16 are reconciled as follows:

	$'000
Operating lease commitments disclosed as at 30 June 2019	**16,064**
Changes to extension options assumptions and discounting using the lessee's incremental borrowing rate at the date of initial application	**(2,281)**
Lease liability recognised as at 1 July 2019	**13,783**

The associated right-of-use assets were measured on a retrospective basis as if the new rules had always been applied, using the lessee's incremental borrowing rate on the date of initial application.

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 and from subsidiaries, 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.

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.

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. The Group considers various debt recovery methodologies and has entered into repayment arrangements with Beadell Resources Ltd (Great Panther Mining Ltd). Since the commencement of the arrangement in June 2018, Beadell Resources Ltd has reduced debt in excess of $50 million as at the date of this report.

		Section	30 June 2020 $'000	30 June 2019 $'000
Financial Assets				
Financial Assets at Amortised Cost:				
—	Cash and Cash Equivalents	5.1.1	**114,650**	59,292
—	Trade and Other Receivables	4.1	**154,329**	190,788
—	Loans to Other Companies	4.1	**26,841**	47,955
Financial Assets at Fair Value Through Profit or Loss:				
—	Listed Investments	4.1	**69**	13,590
Total Financial Assets			**295,889**	311,625
Financial Liabilities				
Financial Liabilities at Amortised Cost:				
—	Trade and Other Payables	4.6	**116,078**	87,942
—	Interest Bearing Liabilities	5.2.1	**188,072**	142,120
Total Financial Liabilities			**304,150**	230,062

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

5.3 FINANCIAL RISK MANAGEMENT (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 6.6 Parent Entity Disclosures for details).

Trade Receivables and Contract Assets

The Group applies the simplified approach to provide for the Expect Credit Loss ("ECL") for all trade receivables. 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. In measuring the ECL, trade receivables 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 and Contract Assets at 30 June 2020 is set out in Section 4.1.

Carabella Resources Pty Ltd was identified individually as a credit risk, their payments have fallen outside credit terms and the PCI coal price has decreased significantly over the period. MACA currently holds first ranking security over the assets of Carabella Resources Pty Ltd and first ranking security over Grosvenor West Coast Project owned by Wealth Resources Pty Ltd, immediate parent of Carabella Resources Pty Ltd. Accordingly management has obtained an independent valuation on secured assets, and performed a discounted cash flow to determine recoverable value resulting in a provision for doubtful debts of $48.4 million against the debtor amounts owed by Carabella Resources Pty Ltd. Further, the Group has assessed and concluded that all other trade receivables are not subject to material credit loss. There has been no change in the estimation techniques or significant assumptions made during the financial period.

5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Provision for Impairment and Expected Credit Losses of Trade Receivables	Section	30 June 2020 $'000	30 June 2019 $'000
At 1 July		-	-
Provision (reversed) / recognised during the year	4.1	**48,415**	-
Receivables written off during the year as uncollectable		-	-
At 30 June		**48,415**	-

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.

The Group has approximately 22% (2019: 23.4%) 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 and Loans to Other Companies are considered to be main source of credit risk related to the Group.

The loan to Carabella Resources Pty Ltd ("Carabella") under the working capital facility of $26.84m remains outstanding, it is repayable from free cashflows from the project. Both loan and receivables are secured over the project assets and subject to its parent company guarantee, which is expected to be sufficient to cover the exposure of the outstanding balance after impairment.

Trade and other receivables that remain within initial trade terms are considered to be of acceptable quality and fully recoverable.

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.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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	
		2020	2019	2020	2019	2020	2019	2020	2019
		'000	'000	'000	'000	'000	'000	'000	'000
Financial Liabilities Due for Payment									
Trade and Other Payables	4.6	**116,078**	87,942	-	-	-	-	**116,078**	87,942
Interest Bearing Liabilities	5.2.1	**55,127**	42,272	**132,945**	99,848	-	-	**188,072**	142,120
Total Contractual Outflows		**171,205**	130,214	**132,945**	99,848	-	-	**304,150**	230,062
Total Expected Outflows		**171,205**	130,214	**132,945**	99,848	-	-	**304,150**	230,062
Financial Assets - Cash Flows Realisable									
Cash and Cash Equivalents	5.1.1	**114,650**	59,292	-	-	-	-	**114,650**	59,292
Trade and Other Receivables	4.1	**154,329**	175,649	-	15,139	-	-	**154,329**	190,788
Investments and Loan Receivables	4.1	**69**	29,376	**26,841**	32,169	-	-	**26,910**	61,545
Total Anticipated Inflows		**269,048**	264,317	**26,841**	47,308	-	-	**295,889**	311,625
Net (Outflow)/Inflow on Financial Instruments		**97,843**	134,103	**(106,104)**	(52,540)	-	-	**(8,261)**	81,563

No financial assets have been pledged as security for debt.

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 Within 1 Year		Fixed Interest Rate 1 to 5 Years		Non-interest Bearing		Total		Weighted Average Effective Interest Rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	%	%
Financial Assets												
Cash	**114,650**	59,292	-	-	-	-	-	-	**114,650**	59,292	-	0.80
Trade and Other Receivables	-	-	**11,190**	20,244	-	15,139	**143,139**	155,405	**154,329**	190,788	**0.50**	6.40
Loans to Other Companies	-	-	-	22,300	**26,841**	25,655	-	-	**26,841**	47,955	**9.00**	9.50
Total Financial Assets	**114,650**	59,292	**11,190**	42,544	**26,841**	40,794	**143,139**	155,405	**295,820**	298,035		
Financial Liabilities												
Interest Bearing Liabilities	-	-	**55,127**	42,272	**132,945**	99,848	-	-	**188,072**	142,120	**3.80**	4.00
Trade and Other Payables	-	-	-	-	-	-	**116,078**	87,942	**116,078**	87,942	**N/A**	N/A
Total Financial Liabilities	-	-	**55,127**	42,272	**132,945**	99,848	**116,078**	87,942	**304,150**	230,062		

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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 (see Note 5.6(b)). The BRL has been devalued by 31.5% against the AUD during the financial year ended 30 June 2020.

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 $'000	Equity $'000
Year ended 30 Jun 2020		
+/- 2% in Interest Rates	**+/- 708**	**+/- 708**
+/- 10% in the Value of Listed Investments	**+/- 7**	**+/- 7**
+/- 10% in AUD/BRL Exchange Rate	**+/- 300**	**+/- 1,140**
+/- 10% in AUD/USD Exchange Rate	**+/- 2,159**	**+/- 2,159**
Year ended 30 Jun 2019		
+/- 2% in Interest Rates	+/- 10	+/- 10
+/- 10% in the Value of Listed Investments	+/- 1,359	+/- 1,359
+/- 10% in AUD/BRL Exchange Rate	+/- 1	+/- 451
+/- 10% in AUD/USD Exchange Rate	+/- 1,042	+/- 1,042

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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.

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.

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 (i.e. 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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For the Year Ended 30 June 2020

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.

5.5 EQUITY

	30 June 2020 $'000	30 June 2019 $'000
Issued Capital		
268,007,708 (2019: 268,007,708) Fully Paid Ordinary Shares With No Par Value	**269,806**	269,806
	No.	No.
Ordinary Shares		
At the Beginning of the Reporting Period	**268,007,708**	268,007,708
Shares Issued During the Year	**-**	-
Shares Issued at Reporting Date	**268,007,708**	268,007,708

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 5.8.

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.

	Section	30 June 2020 $'000	30 June 2019 $'000
Total Borrowings	5.2.1	**188,072**	142,120
Less Cash and Cash Equivalents	5.1.1	**(114,650)**	(59,292)
Net Debt/(Cash)		**73,422**	82,828
Total Equity		**309,660**	332,666
Total Capital		**383,082**	415,494
Gearing ratio		**19%**	20%

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For the Year Ended 30 June 2020

5.6 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.

Other Reserves

The other reserves represent the cumulative effective portion of gains or losses arising on changes in fair value of forward foreign exchange contracts entered into for cash flow hedges, and interest rate swaps. The gain or loss that is recognised in the other reserve will be reclassified to profit or loss only when the transaction affects the profit or loss.

	Section	30 June 2020 $'000	30 June 2019 $'000
Reserves			
Equity-Settled Employee Benefits Reserve		**590**	590
Foreign Currency Translation Reserve		**-**	(8,495)
Other Reserves		**(5,888)**	(5,888)
Total Reserves		**(5,298)**	(13,793)
(a) Other 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		**(8,495)**	(12,650)
Exchange Differences Arising on Translating the Foreign Operations		**(2,072)**	4,155
Transfer of Forex Reserve on Discontinued Operations		**10,567**	-
Balance at the End of the Year		**-**	(8,495)

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

5.7 DIVIDENDS

In respect of FY20, the Directors declared the payment of a Final Dividend of 2.5 cents per share fully franked to the holders of fully paid ordinary shares on the Company's register at 4th September 2020 with payment date of 18th September 2020.

The amount of the Final Dividend is $6.7 million. No provision has been made for the Final Dividend in the Financial Statements as the final dividend was not declared or determined by the Directors on or before the end of the financial year.

	30 June 2020		30 June 2019	
	Cents Per Share	$'000	Cents Per Share	$'000
Distributions Paid/Payable				
Final Dividend in respect of FY20/FY19	**2.5**	**6,700**	2.0	5,360
Foreign Currency Translation Reserve	**2.5**	**6,700**	2.5	6,700
Total	**5.0**	**13,400**	4.5	12,060
Balance of franking account at year end		**51,991**		44,576

5.8 SHARE-BASED COMPENSATION

Options

There were no options issued for the year ended 30 June 2020. 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 2020 financial year 1,906,909 (2019: 1,473,587) performance rights were granted under the Group's Performance Rights Plan and 1,452,208 (2019: 1,252,194) performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2022. As at 30 June 2020 there were 2,690,578 (2019: 2,235,877) performance rights outstanding.

The following performance rights arrangement was in existence at 30 June 2020:

	Number	Expiry Date
Unlisted Performance Rights	**1,097,291**	30-Jun-21
Unlisted Performance Rights	**1,593,287**	30-Jun-22

	2020 Number	2019 Number
Outstanding at the Beginning of the Year	**2,235,877**	2,014,485
Granted	**1,906,909**	1,473,586
Vested	**-**	-
Cancelled or Expired	**(1,452,208)**	(1,252,194)
Outstanding at the End of the Year	**2,690,578**	2,235,877

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

5.8 SHARE-BASED COMPENSATION (CONTINUED)

Performance Rights (Continued)

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 2020 was $0.54 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 2020 were:

- Share price $0.956 being the 30 day VWAP of the Company on the last trading day prior to 30 June 2019
- Exercise price: Nil
- Volatility: 49.80%
- Option life: 3 years
- Dividend yield: 5.1%
- Risk Free Rate 0.955%

SECTION 6 OTHER

6.1 BUSINESS COMBINATIONS

Accounting Policies

Business combinations occur where an acquirer obtains control over one or more businesses.

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.

Refer 4.5 Intangible Assets for treatment and calculation of goodwill.

There were no business combinations during the year ended 30 June 2020 and 30 June 2019.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

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 2020	Percentage Owned (%) 30 June 2019
Parent Entity:			
MACA Limited	Australia	100%	100%
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%
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

6.3 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 2020 $'000	30 June 2019 $'000
Short-Term Employee Benefits	**4,192**	4,187
Post-Employment Benefits	**460**	196
Other Long-Term Benefits	**-**	-
Long-Term Incentive Payments	**687**	798
Total Remuneration	**5,339**	5,181

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

6.3 RELATED PARTY TRANSACTIONS (CONTINUED)

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 2020 $'000**	30 June 2019 $'000
Partnership of which current director Mr G Baker is a 25% partner.	Rent on Division St Business premises.	**1,548**	1,520
Kirk Mining Consultants - a company controlled by current director Mr L.Kirk.	Mining consulting fees	**41**	10
Hensman Properties Pty Ltd - a company controlled by current director Mr R.Ryan.	Consulting fees	**19**	5
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.	Hire of equipment and purchase of equipment, parts and services.	**4,974**	2,456
Gateway Equipment Parts & Services Pty Ltd – a company of which current director Mr G Baker is a shareholder.	Sale of equipment (Revenue)	**430**	-
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 is a shareholder.		**150**	177

6.4 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 2020: $23.6 million 30 Jun 2019: $15.4 million

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.

SECTIONS TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2020

6.5 EVENTS AFTER BALANCE SHEET DATE

The Directors have recommended a final dividend payment of 2.5 cents per share. Refer to Section 5.7 for details.

Subsequent to the year end, the following major contracts have been awarded to the Group:

- Award of Corunna Downs Mining Contract by Atlas Iron which is expected to generate revenue of $230 million over the 62 month term;
- Letter of intent to award the open pit mining services contract by Capricorn Metals Ltd in relation to the Karlawinda Gold Project, which is expected to generate revenue of $410 million over the five year term;
- Award of Mt Magnet Mining Contract Extension by Ramelius Resources which is expected to generate revenue of $130 million over the 3 year term; and
- 10% Non-Owner Participant in the Southwest Connex Alliance for Bunbury Outer Ring Road Project which is expected to generate revenue of $85m over the three and half year term

As announced on 21 August 2020, MACA recognised an impairment of $48m in relation to the carrying amount of the Carabella Resources receivable, in addition to impairing goodwill by $3m.

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.

6.6 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.

Statement of Financial Position	30 June 2020 $'000	30 June 2019 $'000
Assets		
Current Assets	**38,073**	46,761
Total Assets	**379,041**	380,157
Liabilities		
Current Liabilities	**1,718**	4,498
Total Liabilities	**1,718**	4,498
Equity		
Issued Capital	**362,329**	362,329
Reserves	**591**	591
(Accumulated Losses) / Retained Profits	**14,403**	12,739
Total Equity	**377,323**	375,659
Statement of Financial Performance		
Profit For the Year (Including Interco Dividends)	**15,064**	17,128
Total Comprehensive Income	**15,064**	17,128

Guarantees

MACA Limited has entered into guarantees for certain equipment finance facilities in the current financial year, in relation to the debts entered into by its subsidiaries.

INDEPENDENT AUDIT REPORT

MOORE

Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACA LIMITED

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 2020, 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 2020 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 – Plant and Equipment	
Refer to Note 4.4 "Property, Plant and Equipment"	
Existence and ownership of plant and equipment is a key audit matter. It is due to the size of this account balance and the location of plant and equipment (most located at client sites throughout Australia) that this is a key area of audit focus.	Our procedures included: • We agreed a sample of plant and equipment additions to supplier invoices and to 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 plant and equipment to date stamped photography and video taken by senior MACA personnel.

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Key Audit Matters (continued)

Impairment Assessment of Property Plant & Equipment and Goodwill	
Refer to Notes 4.4 "Property, Plant and Equipment" & 4.5 Intangible Assets **Refer to Section 2 Key Estimates & Judgements – "Impairment of Property, Plant & Equipment"**	
Property, plant and equipment ("PPE") represents the Group's largest asset with a year-end book value of $293 million. Given the Group reported a net loss for the year and as its net assets exceed the Company's market capitalisation at balance date, an impairment trigger event has arisen under AASB 136 Impairment. 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 or CGUs). An impairment is recognised if the carrying amount of the Group's PPE and intangible assets is less than its recoverable amounts, being the higher of fair value less costs of disposal and value-in-use (VIU). The impairment assessment undertaken has resulted in no impairment to the PPE employed in all CGUs, but the carrying value of the Goodwill ($3.187 million) relating to MACA Infrastructure has been fully impaired. The recoverable amounts of the Group's PPE and Intangibles were key audit matters due to the significant judgment involved in forecasting future cash flows and the selection of assumptions.	Our procedures included, amongst others: • 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 following assumptions: - discount & growth rates - forecast cash flows and capital expenditure - terminal growth rate Where possible, we corroborated assumptions by reference to external data and new contracts awarded to / announced by the Group to-date • Checking the mathematical accuracy of the cash flow models • Assessing the historical accuracy of forecasting of the Group • Reviewing the sensitivity analysis performed under the impairment model for reasonableness • In relation to mining equipment of discontinued operations (Brazil) which are being repatriated to Australia, we obtained market appraisals for a number of high value assets by two independent consultants to ensure the appraised values were greater than book values. The appraisers' underlying assumptions, objectivity, competency and capabilities were also evaluated. • Assessing the appropriateness of the relevant disclosures in the financial statements

Recognition of Revenue	
Refer to Note 3.1 "Revenue and Other Income"	
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. The accurate recording of revenue is highly dependent upon the following key factors: • Knowledge of the individual characteristics and status of contracts • Management's invoicing process including: – accurate measurement of work done and services provided each month – invoices prepared in compliance with contract terms such as services performed and rates charged • 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. 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.	Our procedures included, amongst others: • 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: – agreed to contractual terms and rates – 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 contract performance during and subsequent to 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

INDEPENDANT AUDIT REPORT (CONTINUED)

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Key Matters (continued)

Valuation of Receivables	
Refer to Note 4.1 "Trade and Other Receivables" and "Loans to Other Companies" **Refer to Note 5.3 "Financial Risk Management"**	
Valuation of receivables is a key audit matter. It is due to the size of the account balances and the judgements required in determining their carrying value that this is a key area of audit focus. Trade debtors and debtors subject to payment arrangements amounted to a total of $154.33 million as at 30 June 2020. The entire amount is expected to be collected over a period no longer than 12 months. Loans to Other Companies amounted to $26.84 million as at 30 June 2020. The entire amount is expected to be collected over a period of longer than the next 12 months. Debtors subject to payment arrangements and loans to other companies are all subject to enforceable agreements entered into between the group companies and the debtors. The Group assesses periodically and at each year end the expected credit loss associated with its receivables. As reported in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020, the Group recognised an expected credit loss (ECL) impairment of $48.42 million against trade debtors following completion of a comprehensive ECL assessment.	Our procedures included, amongst others: • Review of subsequent sales invoices and related claim documentation in respect of accrued revenue. • Review of the level of credit insurance coverage for each debtor, subsequent receipt collections from debtors and ageing analysis post year end. • Confirmations with selected trade & other debtors where considered necessary. • Review for compliance with relevant agreements in order to ensure that related receivables are properly recorded and classified in the accounts at 30 June 2020 in accordance with the terms of this agreement. • Review of agreements and security arrangements entered into in respect of loan facilities provided to borrowers. • Review of AASB 9 ECL workings and assessments prepared by management in relation to trade and other receivables, including the independent valuation report obtained for secured assets, an analysis of the credit risk characteristics attributed to a significant trade debtor and borrower, as part of our assessment of the adequacy of the impairment provision recognised at balance date. The independent valuer's assumptions, objectivity, competency and capabilities were also evaluated. • Discussion with management and the directors as to the existence of other arrears/disputes with trade debtors, review of related correspondence and the impact these factors have had on the assessment and adequacy of the ECL impairment provision recognised. • Assessment of the financial viability and future prospects of debtors, where considered necessary based on publicly available information and other information available to the Company. • Review of the classification of receivables between current and non-current ensuring that classification reflects the agreements entered into with customers and borrowers. • Review of disclosures made in the notes to the financial statements

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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 2020, 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 Group 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_2020.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 2020.

In our opinion, the Remuneration Report of MACA Limited, for the year ended 30 June 2020 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	MOORE AUSTRALIA
PARTNER	MOORE AUSTRALIA AUDIT (WA)
Signed at Perth on the 25th day of September 2020	CHARTERED ACCOUNTANTS

SHAREHOLDER INFORMATION

As at 8th September 2020

NUMBERS OF HOLDERS OF EQUITY

SECURITIES ORDINARY SHARECAPITAL

268,007,708 fully paid ordinary shares are held by 8,188 individual shareholders.

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

LISTED OPTIONS

There are no listed options.

UNLISTED OPTIONS

There are no unlisted options.

DISTRIBUTION OF SHAREHOLDINGS

Fully Paid Ordinary Shares	Number of Shareholders	Number of Shares	% of Issued Capital
1 -1,000 shares	1,383	913,746	0.34%
1,001 –5,000 shares	3,383	9,719,489	3.63%
5,001 –10,000 shares	1,612	12,196,607	4.55%
10,001 –100,000 shares	1,735	42,799,031	15.97%
100,001 and over shares	75	202,378,835	75.51%
Total	8,188	268,007,708	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 outbelow:

Substantial Shareholder	Fully Paid Ordinary Shares	% of Total Shares
J P Morgan Nominees Australia Pty Limited	42,400,021	15.82%
Citicorp Nominees Pty Limited	40,781,744	15.22%
HSBC Custody Nominees (Australia) Limited	20,735,359	7.74%
Mr Kennerth Rudy Kamon	18,693,141	6.97%

There were no substantial option holders listed in the Company's register as at 8 September 2020.

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 8 September 2020, there were 450 holders who held shares that were unmarketable parcels

MLD'S TOP TWENTY SHAREHOLDERS

Registered Shareholder	Fully paid Ordinary shares	% of total shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	42,400,021	15.82
CITICORP NOMINEES PTY LIMITED	40,781,744	15.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,735,359	7.74
MR KENNETH RUDY KAMON	18,693,141	6.97
GEMBLUE NOMINEES PTY LTD <THE G A BAKER FAMILY A/C>	12,863,816	4.80
MR FRANCIS JOSEPH MAHER + MS SHARON JANE MAHER <THE MAHER FAMILY A/C>	12,300,000	4.59
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	9,749,566	3.64
NATIONAL NOMINEES LIMITED	8,416,752	3.14
MR JAMES EDWARD MOORE + MS JULIA CATHERINE MOORE	4,850,000	1.81
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,593,953	1.34
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,095,504	1.16
BNP PARIBAS NOMS PTY LTD <DRP>	2,678,544	1.00
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,307,100	0.86
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,101,942	0.78
MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,590,352	0.59
MRS TINA LOUISE HARDY <THE HARDY FAMILY A/C>	1,470,588	0.55
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	949,642	0.35
MR CHRISTOPHER MARK TUCKWELL <TUCKWELL FAMILY A/C>	944,737	0.35
UBS NOMINEES PTY LTD	935,718	0.35
MR WOJCIECH NOWACKI + MRS TAMARA NOWACKI	740,000	0.28
TOTALS: TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES (TOTAL)	**191,198,479**	**71.34**
ORDINARY FULLY PAID SHARES ON ISSUE	**268,007,708**	**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

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

COMPANY DETAILS

The registered office is:
MACA Limited
45 Division Street
Welshpool, Western Australia, 6106

The principal place of business:
MACA Limited
45 Division Street
Welshpool, Western Australia, 6106

maca Limited

MACA Limited and its Controlled Entities
ABN 42 144 745 782

Perth

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