MACA Limited and its Controlled Entities
ABN 42 144 745 782

ASX Preliminary Final Report
30 June 2016

Lodged with the ASX under
Listing Rule 4.3A

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Section	Table of Contents
Section 1	Commentary
Section 2	Results for Announcement to the Market
Section 3	Consolidated Statement of Profit and Loss and Other Comprehensive Income
Section 4	Consolidated Statement of Financial Position
Section 5	Consolidated Statement of Changes In Equity
Section 6	Consolidated Statement of Cash Flows
Section 7	Notes to the Preliminary Financial Report

Section 1 Commentary - FY16 Results

MACA Limited is pleased to report it has delivered a Net Profit After Tax attributable to members of $24.2 million for the full year to 30 June 2016. Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') was $90.7 million.

Financial and Operating Highlights

- Revenue of $431.4 million
- EBITDA of $90.7 million
- Net Profit After Tax attributable to members of $24.2 million
- Final dividend of 4.5 cents per share (fully franked) (Total for FY16 of 8.5 cps)
- Order book of $1.160 billion as at June 2016
- Strong balance sheet with a net cash position of $42.0 million
- Net operating cash flow of $64.1 million

Results Summary

2016 FY Full Year Results	30 June 2016	30 June 2015	Movement
Revenue	$431.4m	$601.4m	(28%)
EBITDA	$90.7m	$138.2m	(34%)
EBIT	$34.3m	$79.1m	(57%)
Net Profit Before Tax	$33.6m	$77.6m	(57%)
Net Profit After Tax	$24.2m	$54.4m	(56%)
Contracted Work in Hand	$1,160m	$1,223m	(5%)
Operating Cash Flow	$64.1m	$136.5m	(53%)
Earnings per share - basic	10.4 cents	24.0 cents	(57%)
Dividends per share (fully franked)	8.5 cents	39.5 cents [1]	(78%)

[1] Total dividends of 14.5 cents per share and a 25.0 cent per share Special Dividend was paid in FY15.

The MACA board has elected to pay a final dividend of 4.5 cents per share fully franked, taking the full year dividend to 8.5 cents per share fully franked.

The full year earnings result demonstrates the strength of MACA's business, despite what is still a very challenging operating environment for the mining and civil sectors. Operational activities have further rebalanced towards gold with MACA now working for MetalsX, Silver Lake Resources, repeat work with Doray Minerals, and also a new contract with Blackham Resources. The company has also commenced another project in Brazil for Avanco Resources in the first half. This increased geographical presence and experience, coupled with a strong balance sheet has MACA well placed to secure further opportunities.

The result is pleasing given the tough market conditions. Whilst the mining division has produced acceptable results the civil division has had a tough year with tendering costs higher in proportion to revenue and also restructuring costs for the civil divisions in both the Alliance Contracting and Services South East acquisitions. Civil recorded a pre tax loss for the full year of $4 million, $3 million of which occurred in the first half. The profit before tax has also been impacted by approximately $10 million depreciation expense for equipment that has been idle during the year.

MACA continues to perform well across its broad spectrum of projects in the mining sector. During the period MACA continued operations at Rosemont, Garden Well and Moolart Well for Regis Resources, Abydos and Wodgina for Atlas Iron and for Beadell Resources Tucano project in Brazil. Projects commenced during the year were the Deflector project for Doray Minerals, the Central Murchison project for MetalsX, the Mount Monger project for Silver Lake Resources, the Matilda project for Blackham Resources, and the second project in Brazil for Avanco Resources at the Antas operation. Operations at Hinge for Karara Mining and Andy Well for Doray Minerals were closed during the second half with MACA successfully deploying personnel and some equipment to other MACA projects.

The commencement of the projects above, together with the Golden Grove operations with MMG Mining which has commenced subsequent to year end has enabled utilisation of otherwise idle equipment and importantly continued employment for personnel relocating from completed projects.

MACA's total workforce (including contractors) remains in excess of 1,050 people. A strong culture and commitment to the MACA brand has contributed to the successful delivery of quality projects. The ongoing commitment to our Engineering Graduate and Apprentice Programs continues to ensure we develop quality MACA employees.

MACA remains committed to providing all of our employees and contractors with a safe place to work and we continually strive to ensure that safety remains a core focus within our business.

The civil sector within Western Australia has been extremely challenging for all participants in the industry with margins under pressure. This has led MACA to expand its civil activities beyond being a purely road and small civil infrastructure provider in Western Australia. In April 2016 we purchased 75% of Services South East Pty Ltd, a private company providing road asset and maintenance services in Victoria and South Australia. This acquisition was made in order to position us to take advantage of an expected increase in outsourcing of road asset management and maintenance in coming years and underpins our strategy to improve the financial performance, and reduce earnings volatility, of the civil division.

Operating Cash Flow and Capital Expenditure

Operating cash flow for the year ending 30 June 2016 was $64.1 million. Capital expenditure for the financial year was $34.8 million (excluding $20.8 million included in acquisitions) relating to plant, equipment and inventory primarily associated with the Avanco Resources Antas project. Capital equipment purchases were funded by a combination of cash and equipment finance contracts. The company did not enter into any off balance sheet financing arrangements.

Final Dividend

The directors have determined to pay a fully franked final dividend of 4.5c per share with a record date of 5th September 2016 and payment date of 26th September 2016. After adjusting for the depreciation expense on idle equipment, this payout is consistent with the Board's targeted guideline and objective to both provide a return to shareholders and retain cash resources to pursue future growth opportunities. The total dividend paid during the year was $26.8 million (2015: $89.6 million including special dividend).

Events Subsequent to Balance Date

After balance date events included the following:

MACA has commenced a small mining services contract with MMG Mining at Golden Grove. The contract is worth approximately $5 million over a period of 6 months for the first stage of works.

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

Future Developments and Prospects

MACA has a strong current level of work in hand at $1.16 billion and a very strong balance sheet. Although market conditions remain challenging we are experiencing some signs of the start of a recovery and a commensurate improvement in both the mining activity and investor sentiment towards the sector. MACA believes it is well placed to benefit from the continuation of this recovery. The Company similarly expects to benefit from its recent investment in its expanded civil and infrastructure operations through increased spending on road and asset management and maintenance services within the private sector. At this stage MACA is expecting revenue for FY2017 to increase from the current year to exceed $470 million, of which in excess of 95% is contracted. MACA is selectively identifying development opportunities and is well positioned to deliver quality services to customers in the mining, civil and infrastructure sectors.

MACA highly values its hard working and loyal employees. The Board would like to extend its thanks to them and all of our stakeholders who remain an essential part of our success.

Section 2 Results for Announcement to the Market

ABN or equivalent company reference	Financial year ended ('current period')	Financial year ended ('previous period')
42 144 745 782	30 June 2016	30 June 2015

2.1 Results for Announcement to the Market

	2016 $'000	2015 $'000	% change
Revenue from ordinary activities	431,424	601,400	Down 28%
Profit after tax from ordinary activities attributable to members	24,163	54,414	Down 56%
Net profit for the period attributable to members	24,163	54,414	Down 56%
Dividends			
The final dividend for the year 30 June 2016 is $0.045 per share			
Record date for determining entitlements to the final dividend	5th September 2016		

2.2 Individual and Total Dividends Per Security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final Dividend:				
Current year	26 September 2016	4.5 cents	4.5 cents	-
Previous year	25 September 2015	7.5 cents	7.5 cents	-
Interim Dividend:				
Current year	23 March 2016	4.0 cents	4.0 cents	-
Previous year	24 March 2015	7.0 cents	7.0 cents	-
Special Dividend:				
Current year		-	-	-
Previous year	1 October 2014	25 cents	25 cents	-
Total:				
Current year	-	8.5 cents	8.5 cents	-
Previous year	-	39.5 cents	39.5 cents	-

2.3 Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan

2.4 NTA backing

	30 June 2016	30 June 2015
Net tangible asset backing per ordinary security	106.08 cents	107.43 cents

2.5 Control gained over entities

Name of entity (or group of entities)	Alliance Contracting Pty Ltd
Date control gained	31st January 2016
Name of entity (or group of entities)	Services South East Pty Ltd
Date control gained	5th April 2016

2.5.1 Loss of control over entities

Name of entity (or group of entities)	Nil
Date control lost	-
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material).	-
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	-

2.6 Details of associates and joint venture entities

Name of entity (or group of entities)	Marniyarra Pty Ltd
Date of joint venture	31st January 2016

2.7 Commentary on results for the period

Refer covering commentary

2.8 Statement of compliance in regards to audit

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

The accounts have been audited		The accounts have been subject to review	
		The accounts are in the process of being reviewed	
The accounts are in the process of being audited	x	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

N/A

If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

N/A

Chris Tuckwell
Managing Director, CEO

Dated at PERTH this 23rd day of August 2016.

Section 3

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2016

	Note	2016 $'000	2015 $'000
Revenue	2	431,424	601,400
Other income	2	17,837	27,614
Direct costs		(394,978)	(523,516)
Finance costs		(2,558)	(4,427)
Share based payment expense		(277)	(232)
Impairment of plant and equipment		-	(5,772)
Impairment of Debtors		-	(1,821)
Foreign exchange losses		(85)	(753)
Other expenses from ordinary activities		(17,721)	(14,844)
Profit before income tax	3	33,642	77,649
Income tax expense	4	(9,411)	(23,236)
Profit for the year		24,231	54,413
Other comprehensive income:			
Exchange differences on translating foreign operations		2,428	(2,804)
Fair value gains/(loss) on available-for-sale financial assets, net of tax		203	(1,663)
Total comprehensive income for the year		26,862	49,946
Profit / (loss) attributable to:			
- Non-controlling interest		67	-
- Members of the parent entity		24,164	54,413
		24,231	54,413
Total comprehensive income attributable to:			
- Non-controlling interest		67	-
- Members of the parent entity		26,795	49,946
		26,862	49,946
Earnings per share:			
- Basic earnings per share (cents)	9	10.4	24.0
- Diluted earnings per share (cents)	9	10.4	24.0

The accompanying notes form part of these financial accounts

Section 4

Consolidated Statement of Financial Position

as at 30 June 2016

	Note	2016 $'000	2015 $'000
CURRENT ASSETS			
Cash and cash equivalents	10	115,602	118,533
Trade and other receivables	11	73,461	80,242
Loans to other companies	14	7,114	6,256
Inventory		10,068	7,789
Work in progress		89	4,818
Financial Assets	15	-	-
Other assets	12	2,144	5,129
TOTAL CURRENT ASSETS		208,479	222,767
NON CURRENT ASSETS			
Property, plant and equipment	13	154,167	158,564
Loan to other companies	14	883	9,878
Financial Assets	15	851	1,898
Goodwill	5	3,187	-
Deferred tax assets	16	5,733	6,088
TOTAL NON CURRENT ASSETS		164,821	176,428
TOTAL ASSETS		373,300	399,195
CURRENT LIABILITIES			
Trade and other payables	17	32,863	54,736
Financial liabilities	18	39,210	41,032
Current tax liabilities	16	1,028	2,885
Short-term provisions	19	9,954	9,282
TOTAL CURRENT LIABILITIES		83,055	107,935
NON-CURRENT LIABILITIES			
Deferred tax liabilities	16	113	94
Financial liabilities	18	34,499	35,198
TOTAL NON-CURRENT LIABILITIES		34,612	35,292
TOTAL LIABILITIES		117,667	143,227
NET ASSETS		255,633	255,968
EQUITY			
Issued capital	20	208,816	209,016
Reserves		(3,549)	(6,457)
Retained profits		50,814	53,409
Parent Interest		256,081	255,968
Non-controlling Interest		(448)	-
TOTAL EQUITY		255,633	255,968

The accompanying notes form part of these financial accounts

Section 5

Consolidated Statement of Changes in Equity

for the year ended 30 June 2016

	Issued Capital $'000	Retained Profits $'000	Outside Equity Interest $'000	General Reserves $'000	Option Reserve $'000	FX Reserve $'000	Total $'000
BALANCE AT 1 JULY 2014	152,290	88,652	-	(2,317)	95	-	238,720
Profit for the period	-	54,413	-	-	-	-	54,413
SUB-TOTAL	152,290	143,066	-	(2,317)	95	-	293,133
Other comprehensive income:	-	-	-	-	-	(2,804)	(2,804)
Revaluation of Investment	-	-	-	(1,663)	-	-	(1,663)
SUB-TOTAL	152,290	143,066	-	(3,980)	95	(2,804)	288,666
Shares issued	58,500	-	-	-	-	-	58,500
Capital raising costs	(1,774)	-	-	-	-	-	(1,774)
Options issued net of options exercised	-	-	-	-	232	-	232
Transactions with non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-
Dividends paid	-	(89,657)	-	-	-	-	(89,657)
BALANCE AT 30 JUNE 2015	209,016	53,409	-	(3,980)	327	(2,804)	255,967
BALANCE AT 1 JULY 2015	209,016	53,409	-	(3,980)	327	(2,804)	255,967
Profit for the period	-	24,163	67	-	-	-	24,230
SUB-TOTAL	209,016	77,572	67	(3,980)	327	(2,804)	280,198
Other comprehensive income:	-	-	-	-	-	-	-
Revaluation of Investment	-	-	-	203	-	2,428	2,631
SUB-TOTAL	209,016	77,572	67	(3,777)	327	(376)	282,829
Shares issued	-	-	-	-	-	-	-
Capital raising costs	(200)	-	-	-	-	-	(200)
Options issued net of options exercised	-	-	-	-	277	-	277
Transactions with non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	(515)	-	-	-	(515)
Dividends paid	-	(26,758)	-	-	-	-	(26,758)
BALANCE AT 30 JUNE 2016	208,816	50,814	(448)	(3,777)	604	(376)	255,633

The accompanying notes form part of these financial accounts

Consolidated Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 $'000	2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		471,512	674,424
Payments to suppliers and employees		(395,172)	(508,386)
Dividends received		-	-
Interest received		1,929	2,956
Interest paid		(2,558)	(4,428)
Income tax paid		(11,578)	(28,105)
Net Cash Provided By Operating Activities	24(b)	64,133	136,461
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		1,303	4,438
Proceeds from sale of property, plant and equipment		3,336	289
Net Loans to other companies		9,019	(16,134)
Purchase of property, plant and equipment		(34,995)	(29,707)
Net cash consideration for acquisition of subsidiaries		(2,274)	-
Payment for investments		-	(2,000)
Net Cash Used In Investing Activities		(23,611)	(43,114)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Proceeds from Share Issue		-	56,667
Net movement in borrowings		(17,768)	(46,364)
Dividends paid by the parent		(26,758)	(89,657)
Net Cash provided by / (used in) Financing Activities		(44,526)	(79,354)
Net increase/(decrease) in cash held		(4,004)	13,993
Effect of exchange rate changes on the balance of cash held in foreign currencies		1,073	-
Cash and cash equivalents at the beginning of the year		118,533	104,540
Cash and cash equivalents at the end of financial year	24(a)	115,602	118,533

The accompanying notes form part of these financial accounts

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. 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 Group 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.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MACA Limited as at 30 June 2016 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 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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 consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

c. Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

c. Business Combinations (cont)

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit or loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

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

d. Income Tax

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

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

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

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

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

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

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

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

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

e. Inventories

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

f. Property, Plant and Equipment

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

Property

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

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

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2.50%
Plant and equipment	2.5% – 66.67%
Low value pool	18.75% – 37.5%
Motor vehicles	18.75% – 50%

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

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

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

g. Leases

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

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

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

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

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

h. Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

i. the amount at which the financial asset or financial liability is measured at initial recognition;

ii. less principal repayments;

iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method* ; and

iv. less any reduction for impairment.

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

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

a. Financial assets at fair value through profit or loss

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

b. Loans and receivables

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

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

h. Financial Instruments (cont)

c. Held-to-maturity investments

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

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

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

d. Available-for-sale financial assets

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

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

e. Financial liabilities

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

Fair value

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

Impairment

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

De-recognition

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

i. Impairment of Assets

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

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

j. Foreign Currency Transactions and Balances

Functional and presentation currency

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

j. Foreign Currency Transactions and Balances (cont)

Transactions and balances

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

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

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

Group companies

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

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

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

k. Employee Benefits

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

Equity-settled compensation

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

l. Provisions

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

m. Cash and Cash Equivalents

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

n. Revenue and Other Income

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

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

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

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

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

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

o. Trade and Other Payables

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

p. Borrowing Costs

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

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

q. Goods and Services Tax (GST)

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

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

r. Comparative Figures

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

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

s. Changes in ownership interests

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

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

s. Changes in ownership interests (cont)

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

t. Critical Accounting Estimates and Judgements

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

Key estimates

i. Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The value in use calculations with respect to property, plant and equipment require an estimation of the future cash flows expected to arise from each cash generating unit and a suitable discount rate to apply to these cash flows to calculate net present value. The Directors have determined that there is no adjustment required to the carrying value of property, plant and equipment in the current reporting period.

ii. Taxation

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

iii. Estimation of Useful Lives of Assets

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

Key judgments

i. Environmental Issues

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

u. Rounding of Amounts

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

	Note	2016 $'000	2015 $'000
NOTE 2. REVENUE AND OTHER INCOME			
Revenue from continuing operations			
Contract Trading Revenue		427,137	598,006
		427,137	598,006
Other revenue			
– Interest received		1,929	2,956
– Other revenue		2,359	438
		4,287	3,394
Total Revenue		431,424	601,400
Other Income:			
– Profit / (Loss) on sale of plant and equipment		697	83
– Profit / (Loss) on sale of investment		(540)	2,132
– Profit / (Loss) on revaluation of investment		(1,194)	-
– Rebates		18,873	25,399
Total Other Income		17,837	27,614
NOTE 3. PROFIT FOR THE YEAR			
Expenses:			
Depreciation and amortisation			
– Plant and equipment		54,970	57,861
– Motor vehicles		1,490	1,032
– Other		163	160
Total depreciation and amortisation expense		56,623	59,053
Employee benefits expense			
– Direct labour		101,906	130,575
– Payroll tax		2,416	7,175
– Superannuation		6,538	8,198
– Employee entitlements accrual		9,680	13,035
– Share Based Payments		277	232
– Other		462	384
Total employee benefits expense		121,279	159,599
Repairs, service and maintenance		46,979	56,792
Materials and supplies		97,600	112,326

	Note	2016 $'000	2015 $'000
NOTE 4. INCOME TAX EXPENSE			
(a) The components of tax expense comprise:			
Current		10,142	24,343
Deferred		(731)	(1,107)
		9,411	23,236
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)		10,092	23,295
Add tax effect of:			
– dividend imputation		4,571	11,527
– other non allowable items		575	61
– Other taxable items		10,667	26,897
– Research & Development Credit		(1,256)	(120)
Less tax effect of:			
– franking credits on dividends received		(15,238)	(38,424)
– other deductible items			
Income tax attributable to the entity		9,411	23,236
The applicable weighted average effective tax rate as		27.9%	29.9%

NOTE 5. BUSINESS COMBINATIONS

2016

On 31 January 2016 the Group acquired 100% of the issued capital in Alliance Contracting Pty Ltd, a company involved in contracting of mining and civil services.

On 5 April 2016 the Group acquired 75% of the issued capital in Services South East Pty Ltd, a company mostly involved in contracting of civil and road maintenance services.

The major classes of assets and liabilities comprising the acquisition of each Company as at the date of the acquisition are as follows:

Alliance Contracting Pty Ltd	Fair value at 31 January 2016 $'000
Purchase consideration - Cash:	4,703
Less:	
Cash and cash equivalents	4,172
Trade and other receivables	5,712
Other assets	1,087
Property, plant and equipment	11,828
Land and Building	1,820
Trade and other payables	(7,829)
Financial liabilities	(9,185)
Current tax liabilities	(19)
Provisions	(2,881)
Value of identifiable assets acquired and liabilities assumed	4,703
Gain/(Goodwill) on acquisition	-

NOTE 5. BUSINESS COMBINATIONS (cont)

Services South East Pty Ltd	Fair value at 5 April 2016 $'000
Purchase consideration - Cash:	1,642
Less:	
Cash and cash equivalents	(63)
Trade and other receivables	1,657
Other assets	918
Property, plant and equipment	7,173
Trade and other payables	(4,817)
Financial liabilities	(6,486)
Current tax liabilities	-
Provisions	(442)
Value of identifiable assets acquired and liabilities assumed	(1,545)
Gain/(Goodwill) on acquisition	(3,187)

2015

There were no business combinations for the year ended 30 June 2015

	Note	2016 $'000	2015 $'000
NOTE 6. AUDITORS' REMUNERATION			
Remuneration of the parent entity auditors for:			
– Auditing or reviewing the financial report		160	150

NOTE 7. INTERESTS OF KEY MANAGEMENT COMPENSATION (KMP)

	2016	2015
The totals of remuneration paid to KMP of the company and Group during the year are as follows:		
Short-term employee benefits	3,709	4,393
Post-employment benefits	233	242
Other long-term benefits	28	121
Share based payments	524	232
	4,494	4,988

	Note	2016 $'000	2015 $'000
NOTE 8. DIVIDENDS			
Distributions paid			
Interim fully franked ordinary dividend of $0.04 (2015: 0.070) per share franked at the tax rate of 30% (2015: 30%)		9,307	15,201
Special dividend of $0.25 per share franked at the tax rate of 30% (2014: $0.30)		-	58,169
2015 final dividend (fully franked) of $0.075 per share paid in 2016 (2015: $0.075)		17,451	16,287
		26,758	89,657
Total dividends per share for the period $		0.115	0.395
Proposed final fully franked ordinary dividend of $0.045 (2015: $0.075) per share franked at the tax rate of 30% (2015: 30%)		10,470	17,451
Balance of franking account at year end adjusted for credits arising from payment of provision of income tax and debits arising for income tax and dividends recognised as receivables and franking credits that may be prevented from distribution in subsequent financial year as per the income tax return at 30 June 2016 being the latest tax year end to balance date.		22,312	22,201
NOTE 9. EARNINGS PER SHARE			
a. Reconciliation of earnings to profit and loss			
Profit		24,231	54,413
(Profit)/loss attributable to non controlling interest		(67)	-
Earnings used to calculate basic EPS		24,164	54,413
Earnings used in the calculation of dilutive EPS		24,164	54,413
b. Weighted average number (000) of ordinary shares outstanding during the year in calculating basic EPS		232,676	226,676
Weighted average number (000) of dilutive options outstanding		664	262
Weighted average number (000) of ordinary shares outstanding during the year used in calculating dilutive EPS		233,340	226,938
NOTE 10. CASH AND CASH EQUIVALENTS			
Cash at bank	20	115,602	118,533

	Note	2016 $'000	2015 $'000
NOTE 11. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		73,461	82,063
Less – Impairment for doubtful debts		-	(1,821)
		73,461	80,242

a. Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 11. The class of assets described as "trade and other receivables" is 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 (months overdue) < 1 month $'000	Within initial trade terms $'000
30-Jun-16				
Trade and term receivables	73,461	-	12,652	60,809
Other receivables	-	-	-	-
Total	73,461	-	12,652	60,809
30-Jun-15				
Trade and term receivables	82,063	1,821	28,756	51,487
Other receivables	-	-	-	-
Total	82,063	1,821	28,756	51,487

Neither the Group nor parent entity holds any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

b. Financial assets classified as loans and receivables

	Note	2016 $'000	2015 $'000
Trade and other receivables			
- Total current		73,461	80,242
- Total non-current		-	-
		73,461	80,242
Other loans			
- Total current	14	7,114	6,256
- Total non-current	14	883	9,878
		7,997	16,134

	Note	2016 $'000	2015 $'000
NOTE 12. OTHER ASSETS			
CURRENT			
Prepayments		244	5,100
Deposit		1,900	29
		2,144	5,129

	Note	2016 $'000	2015 $'000
NOTE 13. PROPERTY, PLANT & EQUIPMENT			
PLANT AND EQUIPMENT			
Plant and equipment – at cost		462,646	377,203
Accumulated depreciation & impairment		(315,797)	(221,803)
		146,850	155,400
Motor vehicles – at cost		12,194	8,654
Accumulated depreciation		(8,297)	(7,008)
		3,897	1,646
Land and Building – at cost		2,327	-
Accumulated depreciation		(397)	-
		1,930	-
Leased plant and equipment – at cost		1,080	1,080
Accumulated depreciation		(1,080)	(1,080)
		-	-
Low value pool – at cost		163	175
Accumulated depreciation		(106)	(114)
		57	61
Leasehold improvements – at cost		2,102	1,688
Accumulated depreciation		(668)	(231)
		1,434	1,457
Total plant and equipment		150,804	157,107
Total property, plant and equipment		154,167	158,564

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.

For the financial year ended 30 June 2016 there have been no indicators of impairment.

NOTE 13. PROPERTY, PLANT & EQUIPMENT (cont)

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land and Buildings	Plant and equipment	Motor Vehicles	Leased plant and equipment	Low value pool	Leasehold improvements	Total
Consolidated:	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening balance at 1 July 2014	-	167,887	2,767	-	76	1,528	172,258
Additions	-	50,826	50	-	2	91	50,969
Disposals	-	(47)	(139)	-	(2)	(17)	(205)
Foreign Currency movements	-	367	-	-	-	-	367
Impairment	-	(5,772)	-	-	-	-	(5,772)
Depreciation expense	-	(57,861)	(1,032)	-	(15)	(145)	(59,053)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-	-
Balance at 30 June 2015	-	155,400	1,646	-	61	1,457	158,564
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening balance at 1 July 2015	-	155,400	1,646	-	61	1,457	158,564
Additions	110	34,601	-	-	-	130	34,841
Additions through Business Combinations	1,820	14,946	4,046	-	5	4	20,821
Disposals	-	(3,127)	(305)	-	-	(4)	(3,436)
Foreign Currency movements	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Depreciation expense	-	(54,970)	(1,490)	-	(9)	(154)	(56,623)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-	-
Balance at 30 June 2016	1,930	146,850	3,897	-	57	1,433	154,167

	Note	2016 $'000	2015 $'000
NOTE 14. LOANS TO OTHER COMPANIES			
Loans to Other Companies - current		7,114	6,256
Loans to Other Companies - non current		883	9,878
		7,997	16,134
NOTE 15. AVAILABLE FOR SALE FINANCIAL ASSETS			
Shares in Listed corporations at Fair Value - current		-	-
Shares in Listed corporations at Fair Value - non current		851	1,898
		851	1,898

	Note	2016 $'000	2015 $'000

NOTE 16. TAX

(a) Liabilities

CURRENT			
Income tax		1,028	2,885
NON-CURRENT			
Deferred tax liability comprises:			
Other		113	94
Total		113	94

(b) Assets

NON-CURRENT			
Deferred tax assets comprises:			
Provisions		3,012	3,442
Receivables		-	547
Other		2,721	2,099
Total		5,733	6,088

(c) Reconciliations

i. Gross movements

The overall movement in the deferred tax account is as follows:			
Opening balance		5,994	4,587
(Charge)/credit to income statement		(175)	756
(Charge)/credit to equity		(199)	651
Closing balance		5,620	5,994

ii. Deferred tax liabilities

The movement in deferred tax liabilities for each temporary difference during the year is as follows:			
Other:			
Opening balance		94	748
Charge / (Credit) to income statement		19	(29)
Charge / (Credit) to equity		-	(625)
Closing balance		113	94

	Note	2016 $'000	2015 $'000
NOTE 16. TAX (cont)			
iii. **Deferred tax assets**			
The movement in deferred tax assets for each temporary difference during the year is as follows:			
Provisions:			
Opening balance		3,442	4,230
Credit to income statement		(430)	(788)
Closing balance		3,012	3,442
Receivables:			
Opening balance		547	-
(Charge) / Credit to income statement		(547)	547
Closing balance		-	547
Other:			
Opening balance		2,099	1,105
(Charge) / Credit to income statement		821	968
(Charge) / Credit to equity		(199)	26
Closing balance		2,721	2,099

NOTE 17. TRADE AND OTHER PAYABLES

PAYABLES			
CURRENT			
Unsecured Liabilities:			
Trade creditors		28,046	38,374
Sundry creditors and accruals		4,817	16,362
		32,863	54,736

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

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables			
- Total current		32,863	54,736
- Total non-current		-	-
		32,863	54,736

	Note	2016 $'000	2015 $'000
NOTE 18. FINANCIAL LIABILITIES			
CURRENT			
Secured Liabilities:			
Finance lease liability		39,210	41,032
		39,210	41,032
NON-CURRENT			
Secured Liabilities			
Finance lease liability		34,499	35,198
		34,499	35,198
a. Total current and non-current secured liabilities:			
Finance lease liability	20, 21	73,709	76,320
		73,709	76,320
b. The carrying amounts of non-current assets pledged as security are:			
Finance lease liability		98,842	98,282
		98,842	98,282

Insurance Bonding Facilities

The Company has an insurance bonding facility totalling $10 million. At 30 June 2016 the amount drawn on the facility was $2.391 million.

NOTE 19. PROVISIONS

CURRENT		
Employee Entitlements	9,954	9,282

a. Movement in provisions:

	Employee entitlements	Total
Consolidated:		
Opening balance as at 1 July	9,282	8,449
Additional provisions	11,619	14,690
Amounts used	(10,947)	(13,857)
Closing balance as at 30 June	9,954	9,282

b. Provision for employee benefits

A provision has been recognised for employee benefits relating to statutory leave for employees. The measurement and recognition criteria for employee benefits have been included in Note 1.

	Note	2016 $'000	2015 $'000

NOTE 20. ISSUED CAPITAL

232,676,373 (2015: 232,676,373) Fully paid ordinary shares with no par value		208,816	209,016

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

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

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.

	Note	2016	2015
Total borrowings	18	73,709	76,230
Less cash and cash equivalents	10	(115,602)	(118,533)
Net debt		(41,893)	(42,303)
Total equity		255,633	255,968
Total capital		213,739	213,665
Gearing ratio		(20%)	(20%)

NOTE 21. CAPITAL & LEASING COMMITMENTS

(a) Capital expenditure commitments

	2016	2015
Capital expenditure commitments contracted for:		
Plant and equipment purchases	11,520	18,519
Payable		
– not later than 12 months	11,520	18,519
– between 12 months and 5 years	-	-
– greater than 5 years	-	-
Minimum Commitments	11,520	18,519

(b) Finance lease commitments

	2016	2015
Payable — minimum lease payments		
– not later than 12 months	41,330	43,969
– between 12 months and 5 years	36,802	36,731
– greater than 5 years	-	-
Minimum lease payments	78,132	80,700
Less: Future Finance Charges	(4,423)	(4,470)
	73,709	76,230

	Note	2016 $'000	2015 $'000
NOTE 21. CAPITAL & LEASING COMMITMENTS (cont)			
(c) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the accounts:			
Payable — minimum lease payments			
– not later than 12 months		1,576	1,515
– between 12 months and 5 years		4,467	5,824
– greater than 5 years		-	-
		6,043	7,339

NOTE 22. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Performance Guarantees

MACA has indemnified its bankers and insurance bond providers in respect of bank guarantees and insurance bonds to various customers for satisfactory contract performance and warranty security in the following amounts: 30 June 2016: $3.236 million (2015: $3.215 million)

There are no contingent assets or liabilities other than those listed above.

NOTE 23. OPERATING SEGMENTS

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

Identification of Reportable Segment

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

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

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting Policies Adopted

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

Inter-segment transactions

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

Segment assets

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

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

NOTE 23. OPERATING SEGMENTS (cont)

Segment liabilities

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

Unallocated items

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

· Dividends, interest, head office and other administration expenditure

Consolidated - June 2016	Mining $'000	Civil $'000	Unallocated $'000	Total $'000
Revenue				
Total reportable segment revenue	396,209	30,927	-	427,137
Other Revenue	2,661	(98)	1,724	4,287
Total revenue	398,871	30,829	1,724	431,424
Earnings before interest, tax, depreciation, amortisation and impairments	95,597	(3,969)	(735)	90,894
Depreciation and amortisation	(56,356)	(267)	-	(56,623)
Impairment of assets (debtors and plant & equipment)	-	-	-	-
Interest Revenue	71	134	1,724	1,929
Finance costs	(2,558)	-	-	(2,558)
Profit/(loss) before income tax expense	36,755	(4,102)	989	33,642
Income tax expense				(9,411)
Profit after income tax expense				24,231
Assets				
Segment assets	255,906	18,246	99,148	373,300
Total assets				373,300
Liabilities				
Segment liabilities	91,818	11,572	14,277	117,667
Total liabilities				117,667
Capital expenditure	54,472	1,190	-	55,662

NOTE 23. OPERATING SEGMENTS (cont)

Consolidated - June 2015	Mining $'000	Civil $'000	Unallocated $'000	Total $'000
Revenue				
Total reportable segment revenue	541,394	56,612	-	598,006
Other Revenue	1,058	74	2,262	3,394
Total revenue	542,452	56,686	2,262	601,400
Earnings before interest, tax, depreciation and amortisation	143,567	437	1,762	145,766
Depreciation and amortisation	(58,794)	(259)	-	(59,053)
Impairment of assets (debtors and plant & equipment)	(7,593)	-	-	(7,593)
Interest Revenue	620	74	2,262	2,956
Finance costs	(4,427)	-	-	(4,427)
Profit/(loss) before income tax expense	73,373	252	4,024	77,649
Income tax expense				(23,236)
Profit after income tax expense				54,413
Assets				
Segment assets	240,770	31,953	126,472	399,195
Total assets				399,195
Liabilities				
Segment liabilities	116,155	26,780	292	143,227
Total liabilities				143,227
Capital expenditure	50,829	140	-	50,969

Geographical information	Revenue		Non-current assets	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Australia	349,606	573,876	111,980	141,337
Brazil	81,818	27,524	52,841	35,091
Total	431,424	601,400	164,821	176,428

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 35%, 19% and 16% of external revenue. (2015: 31%, 21% and 12%). The next most significant client accounts for 5% (2015: 11%) of external revenue.

	2016 $'000	2015 $'000

NOTE 24. CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	115,602	118,533
Bank overdraft	-	-
	115,602	118,533

(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax

Operating profit after income tax	24,231	54,413
Non-cash flows in profit from ordinary activities		
Depreciation and amortization	56,623	59,053
Impairment of plant and equipment	-	5,772
Impairment of debtors	-	1,821
Net (gain)/loss on disposal of plant and equipment	(697)	(84)
Net (gain)/loss on disposal of investments	1,734	(2,132)
Foreign exchange losses	85	753
Share based payment	277	232
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	23,143	56,232
(Increase)/decrease in other assets	931	(2,137)
(Increase)/decrease in inventories & WIP	(2,451)	(8,315)
Increase/(decrease) in trade and other payables	(39,310)	(23,984)
Increase/(decrease) in income tax payable	(1,857)	(4,591)
Increase/(decrease) in deferred tax payable	374	(1,406)
Increase/(decrease) in provisions	1,050	833
	64,133	136,461

(c) Non-cash financing and Investing Activities

During the year the economic entity did not acquire any acquired plant and equipment (2015: $17,945,477) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

(d) Acquisition of Entities

During the year the economic entity did not acquire any entities by non-cash means (2015: nil).

NOTE 24. CASH FLOW INFORMATION (cont)

Alliance Contracting Pty Ltd (Alliance)	**2016 $'000**
On 31 January 2016, MACA acquired 100% of the ordinary share capital and voting rights in Alliance as described in note 5:	
Purchase consideration:	
Consideration exchanged	4,703
Total consideration	4,703
Cash acquired:	
Cash held by Alliance at date of acquisition	4,172
Cash in-flow on acquisition	4,172
Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flow:	
Trade and other receivables	5,712
Property, plant, and equipment	11,828
Land and Building	1,820
Trade and other payables	(7,829)
Financial liabilities	(9,185)

Services South East Pty Ltd (SSE)	**2016 $'000**
On 5 April 2016, MACA acquired 75% of the ordinary share capital and voting rights in SSE as described in note 5:	
Purchase consideration:	
Consideration exchanged	1,642
Total consideration	1,642
Cash acquired:	
Cash held by SSE at date of acquisition	(63)
Cash in-flow on acquisition	(63)
Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flow:	
Trade and other receivables	1,657
Loans	992
Other current assets	479
Property, plant, and equipment	7,173
Trade and other payables	(4,817)
Other liabilities	(6,928)

NOTE 25. SHARE-BASED PAYMENTS

(a) Options

There were no options issued for the year ended 30 June 2016. The weighted average fair value of options granted during the previous year was Nil.

(b) Performance Rights

During the 2016 financial year 1,955,782 performance rights were granted under the Group's Performance Rights Plan but were not issued until after the end of the financial year (2015: 663,501). On 11 November 2015 shareholders approved the issue of 444,737 performance rights to the Managing Director Mr Chris Tuckwell and 363,816 performance rights to Operation Director Mr Geoff Baker. As at 30 June 2016 there were 2,881,293 performance rights outstanding of which 925,511 had been issued.

NOTE 26. EVENTS AFTER THE BALANCE SHEET DATE

After balance date events included the following:

MACA has commenced a small mining services contract with MMG Mining at Golden Grove. The contract is worth approximately $5 million over a period of 6 months for the first stage of works.

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

	Country of Incorporation	Percentage Owned (%)*	
		2016	2015
NOTE 27. CONTROLLED ENTITIES			
Parent entity:			
MACA Limited	Australia	-	-
Subsidiaries:			
MACA Mining Pty Ltd	Australia	100%	100%
MACA Plant Pty Ltd	Australia	100%	100%
MACA Crushing Pty Ltd	Australia	100%	100%
MACA Civil Pty Ltd	Australia	100%	100%
Riverlea Corporation Pty Ltd	Australia	100%	100%
MACA Mineracao e Construcao Civil Ltda	Brazil	100%	100%
Alliance Contracting Pty Ltd	Australia	100%	-
Services South East Pty Ltd	Australia	75%	-
Marniyarra Pty Ltd JV	Australia	60%	-

* Percentage of voting power in proportion to ownership

	Note	2016 $'000	2015 $'000

NOTE 28. FINANCIAL RISK MANAGEMENT

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:

	Note	2016 $'000	2015 $'000
Financial Assets			
Cash and cash equivalents	10	115,602	118,533
Loans and receivables			
— Trade and other receivables	11(b)	73,461	80,242
— Other Loans	14	7,997	16,134
Available-for-sale financial assets:			
— At fair value			
— Listed investments	15	851	1,898
Total Financial Assets		197,911	216,807
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	17	32,863	54,736
— Borrowings	18	73,709	76,320
Total Financial Liabilities		106,572	130,966

Financial Risk Management 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, currency risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated 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, 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 commodity and equity price risk.

a. 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 14 to 30 days from the invoice date.

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. 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 insurance, title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

NOTE 28. FINANCIAL RISK MANAGEMENT (cont)

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 Note 28 for details).

The Group has approximately 43.9% (2015: 27%) of credit risk with a single counterparty or group of counterparties. Failure or default of a major counterparty would have a material impact on earnings. Details with respect to credit risk of Trade and Other Receivables are provided in Note 11(a). MACA carries a credit risk insurance policy. The amount of cover varies on a client by client basis dependant on the counterparty.

Trade and other receivables that are neither past due or impaired are considered to be of acceptable quality. Aggregates of such amounts are as detailed in Note 11(a).

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

b. 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 cash flow 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 (except for finance lease liabilities) 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.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	'000	'000	'000	'000	'000	'000	'000	'000
Financial liabilities due for payment								
Trade and other payables	32,863	54,736	-	-	-	-	32,863	54,736
Finance lease liabilities	39,210	41,032	34,499	35,198	-	-	73,709	76,320
Total contractual outflows	72,073	95,768	34,499	35,198	-	-	106,572	130,966
Total expected outflows	72,073	95,768	34,499	35,198	-	-	106,572	130,966
Financial assets — cash flows realisable								
Cash and cash equivalents	115,602	118,533	-	-	-	-	115,602	118,533
Trade, term and loans receivables	80,575	86,498	883	9,878	-	-	81,458	96,376
Other investments	-	-	851	1,898	-	-	851	1,898
Total anticipated inflows	196,177	205,031	1,734	11,776	-	-	197,911	216,807
Net (outflow)/inflow on financial instruments	124,104	109,263	(32,765)	(23,422)	-	-	91,339	85,841

No financial assets have been pledged as security for debt.

NOTE 28. FINANCIAL RISK MANAGEMENT (cont)

c. Market Risk

i. 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	%	%
Financial Assets:												
Cash	115,602	118,533	-	-	-	-	-	-	115,602	118,533	2.09	2.65
Trade and other receivables	-	-	-	-	-	-	81,458	96,376	81,458	96,376	N/A	N/A
Total Financial Assets	115,602	118,533	-	-	-	-	81,458	96,376	197,060	214,909		
Financial Liabilities:												
Finance lease	-	-	39,210	43,969	34,499	36,731	-	-	73,709	80,700	4.55	4.76
Trade and other payables	-	-	-	-	-	-	32,863	54,736	32,863	54,736	N/A	N/A
Total Financial Liabilities	-	-	39,210	43,969	34,499	36,731	32,863	54,736	106,572	135,436		

ii. 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.

iii. Foreign exchange risk

The group is exposed to fluctuations in foreign currencies. The currency exposure relates to Brazilian Real and a USD lease facility. The USD lease facility is offset by cash held in a USD bank account equal to the total of the lease. Brazilian Real is unhedged.

Sensitivity Analysis

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

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

	Profit	Equity
	$'000	$'000
Year ended 30 June 2016		
+/- 2% in interest rates	+/- 1,110	+/- 1,110
+/- 10% in the value of listed investments	+/- 81	+/- 81
+/- 10% in AUD/BRL exchange rate	+/- 300	+/- 1,971
+/- 10% in AUD/USD exchange rate	+/- 0	+/- 0
Year ended 30 June 2015		
+/- 2% on interest rates	+/- 1,860	+/- 1,860
+/- 10% in listed investments	+/- 0	+/- 190
+/- 10% in AUD/BRL exchange rate	+/- 290	+/- 1,803
+/- 10% in AUD/USD exchange rate	+/- 0	+/- 0

NOTE 28. FINANCIAL RISK MANAGEMENT (cont)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial assets and financial liabilities approximate the carrying values in the financial statements.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) Level 3.

Included within Level 1 for the current and previous reporting periods are listed investments. The fair value of these assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs. The Group does not have other material instruments within the fair value hierarchy.

NOTE 29. PARENT INFORMATION

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

STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	200,461	115,530
TOTAL ASSETS	308,027	307,252
LIABILITIES		
Current liabilities	319	255
TOTAL LIABILITIES	357	255
EQUITY		
Issued capital	301,339	301,539
Reserves	604	102
(Accumulated losses)/ Retained profits	5,727	5,356
TOTAL EQUITY	307,670	306,997
STATEMENT OF FINANCIAL PERFORMANCE		
Profit for the year (including interco dividends)	27,747	93,682
Total comprehensive income	27,747	93,682

NOTE 29. PARENT INFORMATION (cont)

	2016 $'000	2015 $'000

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.

Contingent liabilities

There were no contingent liabilities as at 30 June 2016 (2015: none).

Contractual commitments

	2016 $'000	2015 $'000
Plant and equipment		
Not longer than 1 year	50,730	62,488
Longer than 1 year and not longer than 5 years	34,499	36,731
Longer than 5 years	-	-
Total	85,229	99,219

NOTE 30. COMPANY DETAILS

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

NOTE 31. RELATED PARTY TRANSACTIONS

Key management person and/or related party	Transaction	2016 $	2015 $
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore, Mr D. Edwards & Mr F.Maher.	Expense - Rent on Ewing St and Division St Business premises.	1,530,560	1,119,000
Kirk Mining Consultants – a company controlled by current director Mr L. Kirk.	Expense - Mining consulting fees	37,070	119,754
Hensman Properties Pty Ltd – a company controlled by current director Mr R. Ryan.	Expense - Consulting fees	74,498	-
Gateway Equipment Parts & Services Pty Ltd – a company controlled by director Mr G.Baker and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Expense - hire of equipment and purchase of equipment, parts and services.	894,052	1,641,792
Gateway Equipment Parts & Services Pty Ltd – a company controlled by director Mr G.Baker and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Revenue - sale of equipment	320,320	205,130
Alliance Contracting Pty Ltd: Mr G Baker was a 15% shareholder in Alliance Contracting Pty Ltd	Acquisition of 100% of equity on 31 January 2016	4,703,253	-
Amounts payable at year end arising from the above transactions (Receivables Nil)			
Gateway Equipment Parts & Services Pty Ltd – a company controlled by director Mr G.Baker and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.		21,330	200,737
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore, Mr D.Edwards & Mr F.Maher.		-	138,967

NOTE 32. RESERVES

a. Financial Assets Reserve

The financial assets reserve records revaluations of available for sale financial assets.

b. General Reserve

The general reserve records funds associated with the acquisition of non-controlling interests of a controlled entity from previous years.

c. Option Reserve

The option reserve records items recognised as share based payments/expenses on valuation of employee share options or performance rights.

d. FX Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 33. New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

(i) AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective. Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

(ii) AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue. Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(iii) AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 33. New Accounting Standards for Application in Future Periods (cont)

(iv) AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016)

This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB 3. The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

(v) AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128).

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest. The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.