MADER

Annual Report

FINANCIAL YEAR 2021

MADER GROUP LIMITED
ABN 51 159 340 397

Our Purpose

We are dedicated to exceeding the expectations of our clients whilst providing superior maintenance, a great workplace for our people and enhanced returns to our investors.

Our Vision

We will continue to grow and build our reputation as a world class provider of heavy equipment maintenance to mining and civil companies. With a business model built on passion, knowledge, and commitment to the industry, every decision is made with clients, employees and shareholders in mind.

Our Values

Backed by a 1,600+ strong team of dynamic and skilled individuals, our rapid growth is a testament to our core values. Central to all of our operations and decision-making, our core values drive us to achieve project objectives with outstanding customer service.

SAFETY

We make it our priority to ensure we do everything in our power to keep ourselves and those around us safe.

ONE TEAM

We are stronger together. Comradery echoes loudly throughout our business. We learn together, we succeed together, we grow together.

INNOVATE

We think differently, we think bigger, we encourage new ideas and continuously adapt to industry evolution and change.

PERFORM

Driven to succeed, we are mechanically minded and solution focused. We take pride in our unique blend of passion, experience and industry know-how.

FAMILY/FUN

Our culture is the foundation of our business. We continue to cultivate a nurturing, transparent and mutually respectful workplace.

INTEGRITY

We hold ourselves to the highest standards, constantly keeping ourselves and each other accountable.

Corporate Directory

Directors

James (Jim) Walker	Non-Executive Chairman
Luke Mader	Executive Director
Justin Nuich	Executive Director and Chief Executive Officer
Patrick Conway	Executive Director
Craig Burton	Non-Executive Director

Company Secretary

Shannon Coates

Registered Office And Principal Place Of Business

Hkew Alpha Building
2 George Wiencke Drive
Perth Airport WA 6105

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Bankers

National Australia Bank Limited
Level 13, 100 St Georges Terrace
Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd
Level 1, 38 Station Street
Subiaco WA 6008

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: MAD

Company Websites

www.madergroup.com.au
www.madergroup.com


MADER
HEAVY EQUIPMENT MAINTENANCE
ANDREW
MADER

Contents

Make light work of heavy equipment maintenance

Mader Group is a leading, global equipment maintenance provider, powered by mechanically minded specialists.

About Mader Group

Mader Group Limited (Mader Group) is a leading, global equipment maintenance provider, powered by mechanically minded specialists. The diversified group is dedicated to helping customers achieve exceptional machine availability and productivity targets through optimal fleet and plant performance.

Established in 2005 and listed on the ASX in 2019, Mader Group is a solution-driven business that provides strategically tailored maintenance for heavy mobile equipment and fixed infrastructure in various industries across the globe.

Over its 16 years of operation, Mader Group has gained experience throughout Australia, Asia, Africa and the Americas, growing and adapting to provide a wide range of maintenance services, each delivered in a flexible 'tap on, tap off' manner to 370+ sites and 240+ customers worldwide.

The Company's unique business model provides both stability and fluidity to Mader Group and its customers alike, in all markets. With a workforce of 1,600+ passionate employees, the business has the capacity to mobilise technicians rapidly, or as required, deploying a highly specialised workforce for in-field support (trade qualified specialists with service vehicles and diagnostic tooling), major overhauls and repairs, preventative equipment maintenance, training of maintenance teams, and a range of other ancillary services.

Expanding its service fleet to more than 700 vehicles in FY21, the Group continues to grow its capacity to comprehensively service a global network of operations and a widening customer base that includes a diverse portfolio of blue-chip owner miners and tier one contractors, including many of the major names in mining.

Headquartered in Perth, Western Australia, Mader Group houses regional offices across Australia, the United States, Africa and Asia, ensuring easy access to local support for its valued customers. Mader Group also has a workshop in Perth which provides offsite repairs, machine refurbishments, specialised tool hire, component rebuilds and a component exchange program for mining and civil operations throughout Australia.

1,600+ STAFF
Operating Worldwide

Global Reach

Mader Group provides premium support to mining and civil customers throughout Australia, Asia, Africa and the Americas.

Operations in FY21

Australia

WESTERN AUSTRALIA

Pilbara
Kimberley
Goldfields
Mid West
South West
Perth and surrounds

SOUTH AUSTRALIA

Roxby Downs
Port Augusta
Coober Pedy

QUEENSLAND

Brisbane
Bowen Basin
Surat Basin
Far North Queensland

NEW SOUTH WALES

Hunter Valley
Gunnedah Basin
Southern NSW
Central and Far West
Riverina

NORTHERN TERRITORY

Tanami Region
Gulf of Carpentaria

VICTORIA

Bendigo

TASMANIA

Zeehan

USA

Arizona
Tennessee
Nevada
Illinois
Alaska
Wyoming
Florida
Texas
Colorado
Pennsylvania
West Virginia
South Carolina
Montana
California

Asia

Mongolia
Laos
Papua New Guinea

Africa

Mauritania
Zambia


Global
Australia

Chairman's Report

Dear Shareholders, welcome to Mader Group's Annual Report for the financial year ended 30 June 2021 (FY21).

Jim Walker
Non-Executive Chairman

As our operations make a robust return to pre-COVID growth levels, we remember the journey it has taken to get here. From the red dirt of Western Australia's Pilbara outback to the mountainous terrain of Colorado, the outlook has been the same – charted with the remnants of a worldwide pandemic.

Closing off the financial year at a historical high, our hard work has paid off. We are proud to announce another record performance and important milestone as Mader Group exceeded $300 million in revenue for the first time. Irrespective of the challenges of the year passed, we have continued to grow our operations with an ethos of comradery and top tier workmanship echoed throughout the business.

A laser focus on our people, culture and reputation has earnt us a loyal and dedicated team who have stuck with us through the thick of unprecedented times. Against a backdrop of uncertainty, our workforce of more than 1,600 showed great resillience and stood unified, working hard and fast to ensure customers are supported, and similarly, looking out for one another in the field.

The tap on, tap off nature of our services has proved advantageous over the financial year, as we've learnt to navigate border changes quickly, efficiently and safely. We are particularly proud of our inhouse team of coordinators who have demonstrated their strengths in reactive mobilisation with a quickly changing landscape to meet customers' demands.

We've built strong and enduring relationships with a large network, that allows us to stand where we are today - equipped and ready for success. We continue to grow strongly and have further solidified our leading position as the largest independent maintenance provider for heavy mobile equipment in Australia, with ambition to become an international household name.

We've come a long way since our initial public offering on the Australian Securities Exchange in October 2019, continuing to deliver on results irrespective of evolving markets. The relatively low capital intensity of the business coupled with sustained efficiency and a diversified service mix has enabled Mader Group to pay dividends to its shareholders whilst continuing to achieve growth. Mader Group distributed $6 million to shareholders in fully franked dividends over the financial year, to the value of 3.0 cents per share.

Ending the year on a high, we commemorate a number of key milestones achieved throughout the business, including our boundless expansion across North America which will see us enter Canada in the coming months. We consider North America well suited to the Mader business model and look forward to advancing our operations in the region.

In Australia, we added 65 tradespeople to our Trade Upgrade Program over the year, bringing the program's total to 92 since inception. With candidates eager to broaden their skillsets across Australia, we expanded the program's reach to Queensland with significant levels of interest displayed from many keen to gain a foothold into the mining industry.

We also welcomed a number of fresh faces to our leadership team. This includes Mr Justin Nuich who was appointed Chief Executive Officer (CEO) in January 2021 and Mr Paul Hegarty, appointed Chief Financial Officer (CFO) in September 2020. Both bring a wealth of experience to Mader Group with their significant value clearly reflected in our solid end of year results.

In closing, I would like to extend our thanks and appreciation to the leadership team, employees, shareholders, clients and suppliers for their continued passion and determination. As the Chairman of Mader Group and on behalf of my fellow Directors, I welcome you to read our FY21 Annual Report.

Yours faithfully

Jim Walker

Jim Walker
Non-Executive Chairman

CEO's Review of Operations

Mr Justin Nuich
Executive Director and Chief Executive Officer

We believe that exceeding the expectations of our clients whilst providing superior maintenance; a great and safe workplace for our people; and enhanced returns to our investors - is the ultimate measure of our success.

As I review our operations for the financial year ending 30 June 2021, it's clear to see that this mindset is central to all of our activities and decision-making. It's what drives us to take our operations to the next level and is reflected in our strong financial performance as we close the year on a high.

The success of any business starts with its people and culture. Each page of this Annual Report reflects a business underpinned by an exceptional team culture and workforce alive with positivity and drive. Since commencing as Chief Executive Officer (CEO) and Executive Director in January 2021 (former Non-Executive Director and Board Member) I have been welcomed into the new role with open arms, diving straight into the detail of this fast paced and incredibly unique business. I'd like to thank the team at Mader Group and our valued customers and shareholders for their overwhelming support.

Safety is Paramount

Success is about more than generating earnings, it's about keeping our people and our customers safe. The health, safety and wellbeing of our people is at the forefront of everything we do. Mader Group's Total Recordable Injury Frequency Rate (TRIFR) remained steady throughout the year at 6 injuries per million hours worked.

Our pursuit of our zero harm goal is relentless, including the ongoing development of our internal safety systems. We have rolled out several initiatives that empower our people to make the right decisions and bring us closer to achieving our goal of zero harm.

During the financial year, we:

- Expanded our Mader Day Program, raising safety awareness and encouraging positive safety behaviours for internal staff across Australia.
- Invested in the safety of our people through the roll out of in-vehicle monitoring systems for Mader Group's service fleets across the globe.
- Increased meaningful leadership interactions in the field and operational efficiency through our Field Leadership Program.
- Enhanced employee engagement on our safety focused mobile app.
- Developed our custom-built employee mobile app to offer multi-level communication including regional broadcasts and alerts. Our app connects our remote and mobile workforce and provides employees access to integrated safety systems.

The Financial Highlights

Our full year financial results reflect strong revenue and profit growth across the business. In summary:

- Record revenue of $304 million delivered, up 11.2% from $274 million in FY20.
- EBITDA of $36 million, up 8.2% from $33 million in FY20.
- NPAT of $19 million, up 10.5% from $18 million in FY20.
- Net debt of $24 million, up 29.7% from $18 million at the close of FY20.
- Shareholders received $6 million in fully franked dividends, to the value of 3.0 cents per share. This included a final payment for FY20 activities, paid in September 2020.
- A final dividend for FY21 activities declared, to be paid on the 28 September 2021, to the value of 1.5 cents per share, fully franked.

Operational Performance

Over the financial year, Mader Group grew its staff base to more than 1,600, providing 3.4 million hours of maintenance services to a diverse network of over 240 customers across more than 370 sites. High demand for our services and enhanced internal systems contributed to our performance, as we delivered flexible, fit for purpose and cost-effective maintenance solutions to our customers across seven countries.

It gives me great pleasure to report record revenue of more than $304 million generated across the Group earnings of $19 million. Backed by a strong balance sheet, increased cashflow, low capital intensity, significant global and local growth opportunities, Mader Group is well positioned to continue this growth trajectory into FY22.

Markets and Growth

Mader Group has grown and adapted to deliver its services across a wide range of markets, with its proven business model successfully rolled out more than 20 times across new service areas and regions. A range of complementary specialist services are being delivered alongside our cornerstone offering of mechanical maintenance for heavy mobile equipment.

This financial year, we placed a dedicated focus on expanding our ancillary and infrastructure maintenance divisions, seeing strong growth across both service lines. We also introduced a number of new services including specialist drill and excavator services, power generation support, marine vessel support and professional support roles for maintenance planning and scheduling.

We opened the financial year in two countries due to the impacts of COVID-19, however the Group has made a steady return to its international operations and closed the year in seven countries including Australia, the United States of America, Mongolia, Laos, Papua New Guinea, Zambia and Mauritania. Preparations for operational delivery into Canada are now also complete with service vehicles primed to support inaugural operations.

Australia

Activity levels in Australia were strong with $273 million generated for the year ending 30 June 2021, up 10.7% as compared to $247 million in FY20. Growth was underpinned by the continued geographical expansion of the Company's service areas and the continued scaling of a range of complementary and value add services to Mader Group's core offering of mechanical maintenance.

Across the market, Mader Group provided specialised contract labour for the maintenance of heavy mobile and fixed plant equipment in mining and civil industries. The Company's skilled workforce provided a range of services including rostered labour, highly responsive field support (trade qualified specialists with service vehicles and diagnostic tooling), shutdown teams for major overhauls and a range of ancillary services. Mader Group also has a workshop in Perth which provides offsite repairs, machine refurbishments, specialised tool hire, component rebuilds and a component exchange program for mining and civil operations throughout Australia.

Mader Group's Australian operations introduced several new services including climate control maintenance for heavy mobile equipment; high-level white collar support roles for maintenance planning and scheduling; EMV (Equipped Manual Vehicle) installations to upgrade Autonomous Hauling Systems; power generation station support; and equipment maintenance for marine vessels and port infrastructure. The Company increased revenue generated from its existing ancillary services by 20.6% and infrastructure maintenance by 24.3%.

Mader Group's Trade Upgrade Program (an integrated training platform which upskills Light Vehicle and Road Transport Mechanics into qualified Heavy Duty Diesel Mechanics) inducted 65 new candidates into its program during the financial year, bringing the program's intake to 92 tradespeople since inception in late 2019. In response to a tightening labour market and increased customer demand, Mader Group made the decision to expand the program nationally, delivering training both in Western Australia and Queensland.

During the period, Mader Group secured a 25% equity interest in Western Plant Hire (WPH) for $3.5 million. WPH is a mobile plant hire provider with a broad client base in Western Australia. Through this strategic, long term investment, Mader Group hopes to leverage the market positions of both companies to deliver enhanced service offerings and improved operational efficiency.

Headquartered in Perth (WA), the Australian Group have regional offices in Kalgoorlie (WA), Brisbane (QLD) and Adelaide (SA). During the financial year, the East Coast management team closed its regional offices in Mackay (QLD) and Hunter Valley (NSW) relocating each team to a central hub in Brisbane (QLD). The new facility location provided added flexibility and mobility for the Group's Eastern State operations and a unified leadership structure whilst remaining geographically close to customers and workforce in both regions.

North America

Revenue generated in the United States increased to $24 million for the year ending 30 June 2021, up 75.0% as compared to $14 million in FY20 (94.6% increase excluding AUD/USD foreign exchange movements). Mader Group strengthened its position by broadening its customer base and regional service areas to deliver heavy mobile equipment maintenance. During the financial year, Mader Group was active in 14 states including a number of the country's top mineral producing centres.

Supporting several major customers in the resources industry, the Group's USA operations were active in strong commodity markets primarily gold, copper and zinc. Services provided include rostered labour, highly responsive field support (trade qualified technicians with service vehicles), shutdown teams for major overhauls and training of maintenance teams.

Headquartered in Fort Collins, Colorado, the Group's USA operations have regional offices in Canonsburg, Pennsylvania and Reno, Nevada. During the financial year, Mader Group committed additional human resources to local office operations to assist with recruitment and customer acquisition, attributing its continued expansion to the strong recruitment of local, high quality labour which represents 90%+ of the total US workforce.

Mader Group also executed a fleet expansion plan to facilitate projected growth. Its service fleet has increased to 80+ specialised mine spec crane trucks. The fleet will also support the Company's entry into Canada as service delivery to the region becomes operational.

Rest of World (Africa, Asia and Latin America)

During the onset of COVID-19, Mader Group made the decision to withdraw its expatriate workforce from Africa and Asia in April 2020. Subsequently, the Group commenced FY21 with no operational activity or revenue in this reporting segment.

Plans to re-enter international markets were implemented in Q1 FY21 with the division selectively re-engaging customers in former areas of operation. Whilst demand for Mader's services internationally remained high, new opportunities were assessed on a case-by-case basis to protect the health and wellbeing of our employees and customers.

During the financial year, the Company provided limited services in Africa and Asia with small teams mobilised to provide breakdown support, preventative maintenance and training of maintenance teams. By the close of FY21, Mader Group ramped up its international services to deliver recurring scopes of work in five countries, comprising Papua New Guinea, Mongolia, Laos, Zambia and Mauritania.

The Mader International division has regional offices in Ulaanbaatar, Mongolia and Solwezi, Zambia. Mader Group generated $7 million in revenue for the year ending 30 June 2021, down 47.0% as compared to $13 million in FY20. Although the segment saw a fall in revenue vs PCP; activity levels regained momentum quarter on quarter.

"Mader Group has expanded its operations in line with its growth strategy, increasing its revenue base and delivering value to shareholders without raising external capital."

Justin Nuich, Chief Executive Officer and Executive Director

Our People and Culture

Through years of investment in our people and culture, we have built a transparent, flexible and inclusive workplace that provides employees with the guidance, empowerment and prospects to be as successful as they can. Today, the business employs over 1,600 people globally - many of which would commend Mader Group on its team culture, access to global career opportunities, family-focus, leadership pathways and unrivaled job variety and flexibility.

We lead the market in crafting purpose driven careers and innovative employee benefits to keep our people happy and engaged. Our workplace programs have won us an Award of Excellence in the Employer of Choice (>1,000 Employees) category at the 2020 Australian HR Awards, and a loyal workforce that have stuck with us through the challenges of the past year.

Equipping the Community

Our community engagement program is global and evolving, with a dedicated focus on the regions we operate in. We strive to equip individuals and communities with the tools they need to succeed in life, through our involvement in a broad scope of community projects, events, charity and volunteer initiatives.

This multifaceted and impactful program also includes a component that supports our industry's superstars of tomorrow through varied support to local TAFE Institutes and high schools, commonly those based in key mining regions.

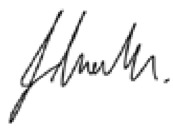
Returns to Shareholders

Over the financial year, Mader Group has expanded its operations in line with its growth strategy, increasing its revenue base and delivering value to shareholders without raising external capital. Two payments of fully franked dividends were declared to shareholders for the FY21 period, totaling $6 million, each to the value of 1.5 cents per share. This includes a final dividend for the period, declared on 23 August 2021 and set to be paid to Shareholders on the 28 September 2021. Dividends distributed for the period, represent a payout ratio of 31%.

Looking Ahead

I'd like to commend the Mader Group team for their continued hard work and outstanding achievements throughout the year. Looking forward, I am optimistic about Mader Group's future as we build on our technical strengths and explore a number of new growth opportunities ahead. Whilst the gears in our expansion plan are turning, the key drivers behind our success remain unchanged. We penetrate new markets with a proven business model and a powerful focus on our people, safety and culture. Our team is more unified and adaptable than ever and I look forward to seeing what we can achieve in the financial year to come.

Yours sincerely



Justin Nuich
CEO and Executive Director

Community Engagement

Our global community engagement program aims to equip individuals and communities with the tools they need to succeed in life.

This includes a contingent targeted at supporting the industry's superstars of tomorrow such as youth living in remote mining regions or entering trades in the maintenance sector.

Other areas of the program include involvement in community projects, sponsorships, charity and volunteer initiatives to drive positive change. Centered around providing support to the regions we operate in, this program plays a key role in shaping the communities around us.

Some highlights this year included:

- A partnership with Nevada Gold Mines a locally based businesses in Elko, Nevada, to donate Chromebooks to students struggling to gain access to digital learning during COVID-19;
- The donation of protective workwear, valedictory award prizes and other resources to select high schools and TAFE institutes in Western Australia and New South Wales;
- Sponsorship of the Desert to Reef Fishing Tournament raising important funds for the WA Police Legacy in the Pilbara, Western Australia, providing financial support to the children and families of police officers killed or seriously injured in the line of duty; and
- A series of volunteer efforts supporting youth in need through Ronald McDonald House Charities and Dismantle programs in Perth, Western Australia.

"We love having the Mader team volunteer in our Home for Dinner Program. By participating in the Home for Dinner Program, Mader Group is helping create a home away from home experience for regional WA families in our care" **Joshua Lawrence,** Partnerships Manager (RMHC WA)

The program also provides a fantastic platform for employees to submit and implement their own ideas, connect with the local community and have fun whilst doing so. We believe that this helps our people foster a sense of purpose and belonging that is critical to maintaining a fulfilled, engaged and productive workforce.

"We are grateful to Mader Group for their involvement at the 2021 Desert to Reef Fishing Tournament. Companies like Mader make an incredible difference to the quality of life in our community and in this case, particularly to the families impacted by the dangers of frontline Policework."

Constable Kiel Hebden
Newman Police

Highlights

"High demand for our services and enhanced internal systems contributed to our performance, as we delivered flexible, fit for purpose and cost-effective maintenance solutions to our customers across seven countries."

Justin Nuich,
Chief Executive Officer and Executive Director

Awards

2021 Winner

Most Trusted Mining and Civil Contractor Award
Australian Enterprise Awards

2020 Winner

Employer of Choice Excellence Award
Australian HR Awards

Our People

3.4M Hrs Worked

Maintenance labour services delivered to over 240 customers

1,600+

Employees Operating Worldwide

98 Apprentices

in training throughout FY21
(incl. Trade Upgrade Program)

16 Years Strong

Longstanding experience and mining excellence

Our Operations

700+
Service Vehicles
spanning four continents

370+
Mine Sites
Providing maintenance across more than 370 mine sites

240+
Diverse network of customers worldwide

20+ Services
Widening scope of specialist services delivered globally

7 Countries
Actively supporting customers across four continents

Our Financials

$304.3M FY21 sales revenue

11.2% FY21 revenue growth

$35.7M FY21 EBITDA

8.2% FY21 earnings growth

$19.3M FY21 NPAT

10.5% FY21 NPAT growth

9.67c
Basic and diluted earnings per share FY21

25% CAGR
Compound Annual Growth Rate over 5 years

Low Net Debt
and significant financial flexibility

Directors' Report

The Directors submit their report with the financial report on the consolidated entity (referred to hereafter as "Mader Group" or "Group") consisting of Mader Group Limited (the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2021 (FY21).

Directors

The following persons were directors of the Company (the Directors) at any time during or since the end of the financial year and up to the date of this report. Directors were in office for this period unless otherwise stated.

Director Name	Position	
Jim Walker	Non-Executive Chairman	
Luke Mader	Executive Director	
Justin Nuich	Executive Director & Chief Executive Officer (CEO)	Appointed as CEO 28 January 2021
Patrick Conway	Executive Director	Resigned as CEO 28 January 2021
Craig Burton	Non-Executive Director	

Principal Activities

The principal activities of Mader Group during the financial year were the provision of specialised labour and support for the maintenance of heavy mobile equipment and fixed infrastructure in the resources sector in Australia and internationally. The services provided include maintenance labour, field support (site labour with support vehicles and tooling), shutdown teams for major overhauls, offsite repairs and component rebuilds, training of maintenance teams, and a range of other ancillary services.

Overview and Financial Results

Information on the operations and the Group's business strategies is set out in the Chief Executive Officer's Report on pages 8 to 13.

Mader Group generated revenue of $304.3 million, an increase of 11.2% versus the prior year. In Australia, Revenue increased by 10.7% to $273.3 million, reflecting the demand for Mader Group's services in all regions. The North America market generated $24.2 million in revenue, up 75.0% in comparison to the prior year of $13.8 million with Mader Group's Rest of World market decreasing 47.0% in revenue to $6.8 million.

Similarly, the Group's EBITDA grew 8.2% to $35.7 million in comparison with the prior year. EBITDA for the Australian market was $29.4 million, an increase of 10.7% as opposed to the prior year of $29.2 million. In North America, EBITDA grew to $6.8 million (121.3%) which was a result of the growth in revenue. The Rest of World market contributed $2.2 million to the Group's EBITDA increasing 5.3% compared to the prior year.

As at 30 June 2021, Mader Group maintained its strong liquidity position with net cash inflows from operations for the year of $16.2 million (2020: $20.4 million). Cash outflows from investing activities of $14.8 million is mainly due to the expansion of Mader Group's fleet of service vehicles. The Group's net debt position as at 30 June 2021 was $23.9 million (2020: $18.5 million).

Dividends

On 23 August 2021, the Company declared a final fully franked dividend of 1.5 cents per share. The total value of the final dividend payment is $3.0m. The record date is 7 September 2021 with a payment date of 28 September 2021.

A summary of the dividends that have been paid or declared during or in relation to the financial year is set out below:

Dividend Type	Dividend Paid	Total Value	Payment Date
Final FY20 Fully Franked	1.5 cents per share	$3.0m	17 September 2020
Interim FY21 Fully Franked	1.5 cents per share	$3.0m	17 March 2021
Final FY21 Fully Franked	1.5 cents per share	$3.0m	28 September 2021

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report or the financial statements.

Future Developments

Mader Group is well placed to take advantage of growth opportunities and strong commodity markets as they present with a dedicated focus on customer service and regional diversification to mitigate macro market risks and enhance earnings potential.

The Group seeks to improve the quality of its revenue base through quality service delivery, operational efficiency and strengthened profit margins across existing and emerging markets. Its global expansion strategy is centred around achieving sustainable growth whilst upholding its positive workplace culture and world class reputation.

The Board is confident that Mader Group's leading market position will enable the business to continue to grow through the ongoing attraction of high quality and suitably skilled people and the penetration of existing and new resource projects.

Mader Group's revenue growth is predominantly driven by three factors:

- Increase in demand in regions where Mader Group already operates (both existing and new customers). Mader Group believes significant revenue growth potential remains in all regions in which Mader Group currently operates;
- Expansion to new addressable markets where use of heavy mobile equipment is significant or where markets complement Mader Group's business model, service offerings, skill sets and/or abilities; and
- The continued diversification and scaling of supplementary services in established regions, such as Mader Group's ancillary services and infrastructure maintenance. These services are complementary and add value to Mader Group's core capabilities in mechanical maintenance.

The Group sees a continuance of the current trends in its business and strong macro trends with growth momentum expected to be maintained through strategic diversification in large existing and emerging markets.

Growth in industry demand is affected by:

- The outlook and impacts of COVID-19 in the near to mid-term;
- Total commodity production (more production means more machine stock);
- The average age of existing machinery stock (older machines means more maintenance); and
- The extent to which mining companies outsource maintenance workforce requirements.

The Group's specific growth strategies include:

- Replicating the business model in new areas;
- Continuing to diversify by commodity;
- Being an employer of choice;
- Continuing to maintain and develop new customer relationships; and
- Continuing to expand its range of service offerings and markets entered.

Mader Group's economic performance and future prospects are subject to a number of risks which may impact its business and which include the Group's ability to maintain its culture; maintaining quality of work and delivery; occupational health, safety and environment; potential downturn in the resources industry; loss of key personnel; management of growth; ability to win new work; the Group's large casual workforce; changes to industrial relations policy or labour laws; reliance on key customers and projects; foreign operations; increase in labour costs; increased competition; labour shortages; decline in the trend towards outsourcing maintenance activities; customer pricing risk, and capital requirements for growth.

Events Subsequent to the End of the Financial Year

Apart from the Company declaring a dividend as set out above, there have been no other matters or circumstances that have arisen since 30 June 2021 that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Regulation and Performance

The operations of the Group are subject to various environmental regulations under the Commonwealth, State and Territory legislation.

The Directors are not aware of any breaches of environmental regulations during the year or as at the date of this report. The Group has met all its reporting requirements under the relevant legislation during the year and continually aims to improve its environmental performance.

Information on current Directors

JIM WALKER
GAICD, FAIM

Experience and Expertise

Jim has over 45 years' experience in the resources sector and was the former Managing Director of WesTrac and a Director of Seven Group Holdings and National Hire Group. Jim was formerly the Non-Executive Chairman of Macmahon Holdings Ltd (ASX: MAH) having been a member of the Macmahon board since 2013. Jim is also Chairman of Austin Engineering Ltd (ASX: ANG), MLG OZ Ltd (ASX: MLG), Australian Potash Ltd (ASX: APC), State Training Board, WA Motor Museum, RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd. Jim has also been a past State and National President of the Australian Institute of Management.

Directorships held in other listed entities

- Australian Potash Limited from 15 August 2018 to current
- Austin Engineering Limited from 8 July 2016 to current
- MLG Oz Limited from 21 January 2021 to current

Former directorships held in listed companies in the last three years

- Macmahon Holdings Limited (11 October 2013 to 27 June 2019)
- Seeing Machines Limited (19 May 2014 to 13 December 2018)

Special responsibilities

- Member of the Audit and Risk Management Committee
- Member of the Nomination and Remuneration Committee

Interest in shares and options

- 66,667 Ordinary Shares

LUKE MADER

Experience and Expertise

Founder of Mader Group, Luke is trade qualified with 20 years' experience in the mining services industry. Luke has built Mader Group to over 1,600+ employees after realising an underserviced 'niche' in the industry while working in marketing for an Original Equipment Manufacturer (OEM). Luke has forged an impressive reputation across major mining regions of Australia and now the world. Luke leads Mader Group's strategic growth and development to foster global expansion.

Directorships held in other listed entities

- None

Former directorships held in listed companies in the last three years

- None

Special responsibilities

- Member of the Audit and Risk Management Committee
- Member of the Nomination and Remuneration Committee

Interest in shares and options

- 113,697,095 Ordinary Shares

JUSTIN NUICH

MBA, GRAD DIP MAINTENANCE MANAGEMENT

Experience and expertise

Justin has over 20 years' experience in the mining and oil and gas industries in Australia and globally. Currently Mader Group's Executive Director and CEO, Justin is well versed with the business having sat on the Board since October 2018. He formerly held senior roles with Fortescue Metals Group Limited (ASX: FMG), Mineral Resources Limited (ASX: MIN) and BHP Group Ltd (ASX: BHP).

Directorships held in other listed entities

- None

Former directorships held in listed companies in the last three years

- None

Special responsibilities

- Member of the Audit and Risk Management Committee
- Member of the Nomination and Remuneration Committee

Interest in shares and options

- 181,881 Ordinary Shares

Information on current Directors (continued)

PATRICK CONWAY
BBUS, CPA, GACG

Experience and Expertise

Formerly the CEO and CFO of Mader Group, Patrick has been with the Company for over 7 years and has a background in Public Practice accounting and business advisory including 4 years' experience with a West African gold development project.

Directorships held in other listed entities

- None

Former directorships held in listed companies in the last three years

- None

Special responsibilities

- Chair of the Audit and Risk Management Committee
- Member of the Nomination and Remuneration Committee

Interest in shares and options

- 113,824 Ordinary Shares

CRAIG BURTON
BJURIS, LLB, MAICD

Experience and expertise

Craig is a venture capital investor in emerging companies, projects and businesses. Craig has a track record of providing financing backing and strategic advice to successful business teams and start-up entrepreneurs.

Directorships held in other listed entities

- Cradle Resources Limited from 5 March 2019 to current
- Grand Gulf Energy Limited from 16 September 2013 to current

Former directorships held in listed companies in the last three years

- Capital Drilling Limited (1 January 2009 - 31 August 2018)

Special responsibilities

- Member of the Audit and Risk Management Committee
- Chair of the Nomination and Remuneration Committee

Interest in shares and options

- 40,000,000 Ordinary Shares

Directors' meetings

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2021 and the number of meetings attended by each Director were as follows:

	Director's Meeting		Audit and Risk Committee		Nomination and Remuneration Committee	
	Eligible to attend	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
Jim Walker	5	5	2	2	-	-
Luke Mader	5	5	2	2	-	-
Justin Nuich	5	5	2	2	-	-
Patrick Conway	5	5	2	2	-	-
Craig Burton	5	4	2	2	-	-

Company Secretary

SHANNON COATES

LLB, BA (JUR), AGIA, ACIS, GAICD

Ms Coates holds a Bachelor of Law from Murdoch University and has over 20 years' experience in corporate law and compliance. She is a Chartered Secretary and currently acts as Company Secretary to a number of ASX-listed companies.

Ms Coates is a Director of Perth-based corporate advisory firm Evolution Corporate Services, which specialises in the provision of company secretarial and corporate advisory services to ASX-listed companies.

Remuneration Report - Audited

Overview

The Directors of Mader Group Limited present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2021. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for Mader Group's Key Management Personnel (KMP) being:

- Non-Executive Directors
- Executive Directors and Senior Executives (collectively the Executives)

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group and the Company. The table below outlines the KMP of the Company and their movements during the financial year:

Name	Position	Term as KMP
Jim Walker	Non-Executive Chairman	Full financial year
Craig Burton	Non-Executive Director	Full financial year
Luke Mader	Executive Director	Full financial year
Justin Nuich	Executive Director/Chief Executive Officer	Full financial year, Appointed as CEO 28 Jan 2021
Patrick Conway	Executive Director	Full financial year, Resigned as CEO 28 Jan 2021
John Greville	Chief Operating Officer	Full financial year
Paul Hegarty	Chief Financial Officer	Appointed on 4 September 2020
Lili Lim	Chief Financial Officer	Ceased on 4 September 2020

Executive Remuneration

How we determine executive remuneration policies and structures

Four principles guide our decisions about executive remuneration at Mader Group:

- Fairness: provide a fair level of reward to all employees;
- Transparency: build a culture of achievement by transparent links between reward and performance;
- Alignment: promote mutually beneficial outcomes by aligning employee, customer, shareholder interests; and
- Mader Group Culture: drive leadership performance and behaviours that create a culture that promotes safety, diversity and employee satisfaction.

How remuneration is governed

Mader Group has established a Nomination and Remuneration Committee (the Committee) to assist the Directors in fulfilling its corporate governance responsibilities. The Committee provides advice, recommendations and assistance to the Directors with respect to:

- Remuneration policies for Non-Executive Directors;
- Remuneration policies for Executive Directors;
- Remuneration policies for Executive Management;
- Equity participation;
- Human resources policies; and
- Other matters referred to the Committee by the Directors.

The Committee presently consists of Messrs Jim Walker, Craig Burton, Justin Nuich, Luke Mader and Patrick Conway. Mr Burton acts as the Chairman of the Committee.

The Committee may, when it considers necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters at the Company's expense. During the financial year the Company did not engage any such advisors.

Elements of executive remuneration

Fixed remuneration

Executive fixed remuneration is competitively structured and may include cash, superannuation and other non-financial benefits. Non-financial benefits generally consist of items to enable the effective discharge of the executive's duties and may include the provision of motor vehicles, mobile phones and computers. Fixed remuneration is designed to reward the Executive for their relevant skills, experience and qualifications with reference to their role.

Variable remuneration - short-term incentives (STI)

STIs currently take the form of a cash bonus which is paid to Executives following the end of the financial year. The Committee is responsible for determining the achievement of the targets and whether a bonus amount is paid. The Committee will consider the Executive's performance and contributions in making their determination.

Features of the STI plan is set out below.

Feature	Description
Maximum opportunity	Executives can earn up to 3.33% of the increase in Statutory Net Profit Before Tax for the financial year, when compared to financial year in which the Executive commenced with the Group.
Performance metrics	The STI metrics align with the Group's strategic targets as follows: • Economic profit is a core component and aligns to growth in shareholder's wealth; • Attract and retain qualified, experienced and high calibre executives rewarding long term commitment to the Group • Reward performance and achievement of the Group's strategic targets

Metric	*Target*	*Weighting*	*Reason for selection*
Net profit before tax	No target is set.	50%	Reflects improvements in both revenue and cost control
Total recordable injury frequency rate (TRIFR)	<5 incidents per million hours worked.	30%	Our people operating safely both in our and our client's environments is paramount
Retention rate	20% reduction in the turnover rate when compared to the prior reporting period.	20%	Staff retention is core to maintaining a safe, well trained workforce

Variable remuneration - long-term incentives (LTI)

There is currently no long-term incentive plan in place as the Committee believes the current remuneration structure is aligned to the Group's long-term strategic targets.

Non-Executive Director Remuneration

Mader Group's Non-Executive Director fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity. The fees reflect the demands and responsibilities of the Directors whilst incurring a cost which is acceptable to shareholders. Directors currently do no receive any additional fees for participation in Board Committees.

The Committee reviews non-executive directors' remuneration annually against comparable companies and may consider advice from external advisors if deemed necessary. Non-Executive director fees are determined within an aggregated non-executive director fee pool limit of $300,000 per annum.

Executive Service Agreements

Each KMP has entered into a service agreement with the Company. All KMP are entitled to receive payment in lieu of notice of any accrued statutory entitlement (i.e. annual leave and long service leave) on cessation of their employment. In addition, all KMP are entitled to participate in the STIP and LTIP that has been disclosed above.

The following table outlines the contractual terms of the executive service agreements:

Component	Luke Mader	Executive Directors	Senior Executives
Fixed Remuneration	$2,000 per day worked	Range between $250,000 and $400,000	Range between $200,000 and $270,000
Variable Remuneration	None	As per STI scheme	As per STI scheme
Allowances	None	May include motor vehicle allowance	None
Notice Period	6 months	Range between 5 weeks and 6 months	6 months
Annual and Long Service Leave	None	Statutory requirements plus 17.5% annual leave loading	Statutory requirements plus 17.5% annual leave loading
Redundancies	None	Statutory requirements	May include 12 months payout on change of control event

Relationship between Remuneration and Group Performance

Mader Group rewards the performance of KMPs with regard to the achievement of operational and financial targets having regard to the duties, performance and contribution of the KMP during the financial year.

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2021	2020	2019	2018	2017
Net profit for the year ($'m)	19.3	17.5	14.9	11.4	6.2
Basic and diluted earnings per share (cents)	9.67	8.75	8.77	6.68	3.65
Total dividends ($'m)	6.0	7.3	11.1	3.0	Nil
Share price at end of year (cents)	0.85	0.78	-	-	-


MADER
RAPID RESPONSE
"Breakdown support, on site within 72 Hrs"
madergroup.com.au
MADER
MADER
TEAM LEADER
ANDREW

Remuneration of KMP for the Years Ended 30 June 2021 and 30 June 2020

		Short-term employee benefits			Post-employment	Long-term benefits		
		Salary & fees	Short Term incentives[1]	Non-monetary[2]	Super-annuation	Long service leave	Total remuneration	Perform-ance related
		$	$	$	$	$	$	%
Non-executive directors								
Jim Walker	**2021**	**110,000**	**-**	**-**	**10,450**	**-**	**120,450**	**-**
	2020	110,000	-	-	10,450	-	120,450	-
Craig Burton	**2021**	**60,000**	**-**	**-**	**5,700**	**-**	**65,700**	**-**
	2020	60,000	-	-	5,700	-	65,700	-
Justin Nuich[3]	**2021**	**30,000**	**-**	**-**	**-**	**-**	**30,000**	**-**
	2020	60,000	-	-	-	-	60,000	-
Total Non-executive Directors	**2021**	**200,000**	**-**	**-**	**16,150**	**-**	**216,150**	**-**
	2020	230,000	-	-	16,150	-	246,150	-
Executive directors								
Luke Mader	**2021**	**200,000**	**-**	**-**	**17,687**	**-**	**217,687**	**-**
	2020	155,000	-	-	11,071	-	166,071	-
Justin Nuich[3]	**2021**	**183,972**	**200,000**	**10,004**	**12,731**	**-**	**406,707**	**49**
	2020	-	-	-	-	-	-	-
Patrick Conway[4]	**2021**	**267,783**	**237,013**	**-**	**22,973**	**-**	**527,769**	**45**
	2020	264,679	192,775	-	20,089		477,543	40
Senior executives								
John Greville	**2021**	**228,038**	**347,051**	**-**	**21,018**	**4,894**	**601,001**	**58**
	2020	233,621	288,127	-	19,771	-	541,519	53
Paul Hegarty[5]	**2021**	**181,802**	**72,000**		**17,474**	**-**	**271,276**	**27**
	2020	-	-	-	-	-	-	-
Lili Lim[6]	**2021**	**35,647**	**-**	**-**	**3,106**	**-**	**38,753**	**-**
	2020	178,368	108,227	-	18,858	-	305,453	35
Total Executive and Senior Directors	2021	**1,097,242**	**856,064**	**10,004**	**94,989**	**4,894**	**2,063,193**	**41**
	2020	831,668	589,129	-	69,789	-	1,490,586	40
Total KMP	**2021**	**1,297,242**	**856,064**	**10,004**	**111,139**	**4,894**	**2,279,343**	**38**
	2020	1,061,668	589,129	-	85,939	-	1,736,736	34

1 Short-term incentives relate to cash bonuses provided under the Group's STI plan

2 Non-monetary benefits relate to the provision of motor vehicles and motor vehicle related expenses.

3 Ceased as Non-executive Director and appointed as CEO on 28 January 2021

4 Ceased as CEO on 28 January 2021

5 Appointed on 4 September 2020

6 Ceased on 4 September 2020

The table below shows the percentage of each Executives' STI that was awarded or forfeited during the financial year.

	Short-term Incentives	
2021	**Awarded**	**Forfeited**
Justin Nuich	100%	-
Patrick Conway	50%	50%
John Greville	50%	50%
Paul Hegarty	100%	-

Key Management Personnel Equity Holding

The number of fully paid ordinary shares of the Company, held directly, indirectly or beneficially, in which the KMP has a relevant interest for the year ended 30 June 2021 are as follows. None of the shares were held nominally by any of the KMP.

	Balance 1 July 2020	Granted as remuneration	On market purchase	Other changes	Balance 30 June 2021
Jim Walker	66,667	-	-	-	66,667
Craig Burton	39,800,000	-	200,000	-	40,000,000
Luke Mader	113,307,095	-	390,000	-	113,697,095
Justin Nuich	66,700	-	115,181	-	181,881
Patrick Conway	113,824	-	-	-	113,824
John Greville	166,667	-	-	-	166,667
Paul Hegarty	-	-	55,000	-	55,000
Lili Lim	-	-	-	-	-
Total	**153,520,953**	**-**	**760,181**	**-**	**154,281,134**

Loans to Key Management Personnel

There were no loans to Directors or Executives during the financial year ended 30 June 2021.

Other Transactions and Balances with KMP and their Related Parties

The following transactions occurred and were outstanding at reporting date in relation to transactions with related parties:

		Transactions		Receivables		Payables	
		2021	2020	2021	2020	2021	2020
2021	**Related KMP**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Services provided to MLG Oz Limited	Jim Walker	3,281	-	551	-	-	-
Services provided by Venture South Pty Ltd	Luke Mader	83	-	-	-	-	-
Services provided to Western Plant Hire Holdings Limited	Luke Mader Patrick Conway[1]	345	-	189	-	-	-
Services provided to Salt Lake Potash Limited	Justin Nuich	62	-	62[2]	-	-	-
Consultancy services provided by Allscope Holdings Pty Ltd	Justin Nuich	9	-	-	-	-	-

[1] Luke Mader is a director of Western Plant Hire Holdings Limited and Patrick Conway is an alternate director for Luke Mader.

[2] Balance is as at the date Justin Nuich became CEO of the Group.

End of audited remuneration report.

Shares Under Option

There were no unissued ordinary shares of Mader Group Limited under option at the date of this report.

Indemnification and Insurance of Officers and Auditors

The Company has executed a deed of access, indemnity and insurance in favour of each Director during the financial year. The indemnity requires the Company to indemnify each Director for liability incurred by the Director as an officer of the Company subject to the restrictions prescribed in the *Corporations Act 2001*. The deed also gives each Director a right of access to Board papers and requires the Company to maintain insurance cover for the Directors.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit services provided means the auditor's independence was not compromised.

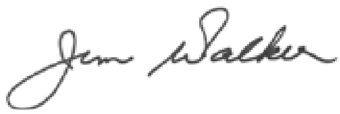
Auditors Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 34.

Rounding

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission dated 24 March 2016, and in accordance with the Corporations Instrument, amounts in this report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This directors' report is made in accordance with a resolution of Directors, pursuant to Section 298(2)(a) of the *Corporations Act 2001*.



Jim Walker
Non-Executive Chairman

23 August 2021

Auditor's Independent Declaration

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MADER GROUP LIMITED

As lead auditor of Mader Group Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mader Group Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 23 August 2021


SIMON
MADER
INFRASTRUCTURE


MADER
MADER

Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the Year Ended 30 June 2021

	NOTE	2021 $'000	2020 $'000
Revenue	4	304,300	273,547
Cost of sales	5	(245,925)	(218,804)
Gross profit		**58,375**	**54,743**
Distribution expense		(199)	(246)
Marketing expenses		(1,171)	(813)
Administration expenses	5	(30,446)	(27,104)
Other operating expenses		(152)	(532)
Finance costs	5	(1,427)	(1,735)
Share of profit from associates		1,004	-
Other income		795	598
Profit before income tax		**26,779**	**24,911**
Income tax expense	6	(7,437)	(7,407)
Profit for the year		**19,342**	**17,504**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(787)	724
Total comprehensive income for the year		**18,555**	**18,228**
Earnings per share			
Basic and diluted earnings per share (cents per share)	8	9.67	8.75

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

	NOTE	2021 $'000	2020 $'000
Current assets			
Cash and cash equivalents		3,209	6,456
Trade and other receivables	11	67,881	55,521
Other assets	12	956	1,241
Total current assets		**72,046**	**63,218**
Non-current assets			
Property, plant and equipment	13	36,922	32,542
Investment in associates	14	4,651	57
Right of use of asset	15	3,499	2,587
Other assets	12	320	335
Deferred tax assets	6	5,072	2,008
Total non-current assets		**50,464**	**37,529**
Total assets		**122,510**	**100,747**
Current liabilities			
Trade and other payables	16	21,543	18,898
Lease liabilities		549	491
Provisions	17	1,670	1,307
Tax liabilities	6	4,494	3,227
Borrowings	18	19,037	13,777
Total current liabilities		**47,293**	**37,700**
Non-current liabilities			
Lease liabilities		3,134	2,096
Provisions	17	888	599
Deferred tax liabilities	6	2,401	1,097
Borrowings	18	8,122	11,138
Total non-current liabilities		**14,545**	**14,930**
Total liabilities		**61,838**	**52,630**
Net assets		**60,672**	**48,117**
Equity			
Issued capital	19	2	2
Reserves	20	(1,220)	(433)
Retained earnings		61,890	48,548
Total equity		**60,672**	**48,117**

The above Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

	NOTE	Issued Capital $'000	Retained Earnings $'000	Reserves $'000	Total $'000
Balance at 1 July 2020		**2**	**48,548**	**(433)**	**48,117**
Comprehensive income/(loss)					
Profit for the year		-	19,342	-	19,342
Other comprehensive income/ (loss) for the year		-	-	(787)	(787)
Total comprehensive income/ (loss)for the year		**-**	**19,342**	**(787)**	**18,555**
Transactions with owners, in their capacity as owners					
Dividends paid or provided for	9	-	(6,000)	-	(6,000)
Total transactions with owners		**-**	**(6,000)**	**-**	**(6,000)**
Balance at 30 June 2021		**2**	**61,890**	**(1,220)**	**60,672**

	NOTE	Issued Capital $'000	Retained Earnings $'000	Reserves $'000	Total $'000
Balance at 1 July 2019		**2**	**35,324**	**(1,157)**	**34,169**
Comprehensive income/(loss)					
Profit for the year		-	17,504	-	17,504
Other comprehensive income/ (loss) for the year		-	-	724	724
Total comprehensive income/ (loss)for the year		**-**	**17,504**	**724**	**18,228**
Transactions with owners, in their capacity as owners					
Dividends paid or provided for	9	-	(4,280)	-	(4,280)
Total transactions with owners		**-**	**(4,280)**	**-**	**(4,280)**
Balance at 30 June 2020		**2**	**48,548**	**(433)**	**48,117**

The above Consolidated Statement of Changes of Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	NOTE	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		321,132	272,994
Payments to suppliers and employees		(296,206)	(244,508)
Interest received		19	7
Finance costs		(862)	(1,736)
Income tax paid		(7,928)	(6,356)
Net cash provided by operating activities	10	**16,155**	**20,401**
Cash flows from investing activities			
Proceeds from sale of plant and equipment		58	1,108
Payments for plant and equipment		(11,232)	(13,969)
Investment in associates		(3,591)	-
Net cash (used in) investing activities		**(14,765)**	**(12,861)**
Cash flows from financing activities			
Payments of dividends		(6,000)	(4,280)
Payment of borrowings		(11,176)	(12,702)
Proceeds from borrowings		12,867	12,849
Net cash provided by/(used in) financing activities		**(4,309)**	**(4,133)**
Net increase/(decrease) in cash held		**(2,919)**	**3,407**
Net foreign exchange difference		**(328)**	**-**
Cash at the beginning of the financial year		**6,456**	**3,049**
Cash at the end of the financial year		**3,209**	**6,456**

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

1. Corporate Information

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board ("AASB"), and comply with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (FRS) as issued by the International Accounting Standards Board (ASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The financial statements comprise the consolidated financial statements of the Group and were authorised for issue in accordance with a resolution of the board of directors dated 23 August 2021. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

These financial statements are presented in Australian Dollars ($). Foreign operations are included in accordance with policies set out in note 2. In addition, the financial statements have been prepared on a historical cost basis. Historical costs are generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission dated 24 March 2016, and in accordance with the Corporations Instrument, amounts in this report have been rounded off to the nearest thousand dollars, unless otherwise stated.

2. Summary of Significant Accounting Policies

(a) Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue the operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Basis of Consolidation

The consolidated financial statements comprises the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved when the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. The results of subsidiaries acquired or disposed of during the year are included in the profit and loss from the date of the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Summary of Significant Accounting Policies (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), assets, liabilities and other components of equity, with any resultant gain or loss resulting from the difference between the consideration received and the net financial position of the subsidiary is recognised in profit or loss.

(c) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred tax liabilities arises from the initial recognition of goodwill or asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(d) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Freehold land is not depreciated.

Plant and equipment

Plant and equipment are measured on a cost basis. At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gains or loss on disposal or retirement of the asset is determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Depreciation

Depreciation is recognised so as to write off the cost (other than freehold land) less their residual values over the useful lives, using the diminishing value method. The depreciation rates used for each class of depreciable assets are as follows:

Class of fixed assets	Depreciation rate
Computer equipment	37.5%
Office furniture and fittings	10 – 40%
Motor vehicles	20 – 30%
Plant and equipment	10 – 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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.

2. Summary of Significant Accounting Policies (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

Right of use assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Group determines whether a right of use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy above.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payment less any lease incentives receivable, variable lease payments that depends on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used
- residual guarantee
- lease term
- certainty of a purchase option
- termination penalties

When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to the profit or loss if the carrying amount of the right of use asset is fully written down.

(f) Financial Instruments

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than assets that are credit-impaired on initial recognition, the effective interest rate is the rate that exactly discounts estimated cash receipts, excluding expected credit losses, through the expected life of the debt instrument or where appropriate a shorter period to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measure at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised costs of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss and is included in the 'Other Revenue' line item.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On derecognition of a financial asset measured at amortised costs, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(g) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses ("ECLs") on lease receivables, trade receivables and contract assets. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The ECLs are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast direction of conditions at the reporting date, including time value of money where appropriate.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring at the reporting date with the risk of a default occurring at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, government bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(h) Short-Term and Other Long-Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(i) Cash and Cash Equivalents

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

(j) 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 taxation authority. In these circumstances the GST is recognised as part of the costs 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. The net amount of GST recoverable from, or payable to, the tax authority is included within 'Other Receivables or Other Payables' in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis. The GST component of cashflows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are recognised in profit or loss in the year in which they occur.

(l) Foreign Currency Translation

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary Items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation of which the retained interest becomes a financial asset), all the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2. Summary of Significant Accounting Policies (continued)

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do no result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(m) Revenue Recognition

The Group derives revenue from labour hire and support and maintenance services to the mining sector. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Services revenue

Contracts entered into can cover services which may involve various different processes or servicing of related assets. Where these processes and activities are highly interrelated, and the Group provides a significant service of integration for these activities, they are taken as one performance obligation. The transaction price is allocated across each performance obligation based on contracted prices. Variable consideration may be included in the transaction price. The performance obligation is fulfilled over time as the Group enhances the assets which the customer controls, for which the Group has no alternative use and has a right to payment for performance to date.

Revenue is recognised in the accounting period in which services are rendered. Customers are in general invoiced for an amount that is calculated based on agreed contract terms in accordance with stand-alone selling prices for each performance obligation.

(n) Adoption of New and Amended Standards and Interpretations

Impact of the initial application of new and amended Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to the Australian Standards and Interpretations issued by the Australian Standards Board ("AASB") that are effective for an annual period that begins on or after 1 July 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amending Standard	Description
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	The Group has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	The Group has adopted the amendments included in AASB 2019-1 for the first time in the current year. The amendments include consequential amendments to affected Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (the "Conceptual Framework") by the AASB. The amendments include: • Framework or to clarify which version is being referenced. These amendments apply to for-profit private sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the new Conceptual Framework • Permit other entities to continue using the Conceptual Framework adopted by the AASB
AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	This standard makes amendments to AASB 1054 Additional Australian Disclosures by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors on the potential effect of an IFRS standard that has not yet been issued by the AASB. The Group has adopted these amendments for the first time in the current year.

2. Summary of Significant Accounting Policies (continued)

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective.

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard / amendment	Effective for annual reporting periods beginning on or after
AASB2014-10 Amendments to Australia Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture and AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB10 and AASB 128	1 January 2022
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	1 January 2022
AASB 2020-3 Amendments to Australian Accounting Standards – Annul Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023

In addition, at the date of authorisation of the financial statements, the following IASB Standards and IFRS Interpretations Committee Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

Standard / amendment	Effective for annual reporting periods beginning on or after
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Group's accounting policies, which are described above, management are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Assessment and impairment of property, plant and equipment (Note 2(d))
- Estimation of expected useful lives of property, plant and equipment (Note 2(d))
- Estimation of allowance for expected credit losses on financial assets (Note 2(g))

4. Revenue

	2021 $'000	2020 $'000
Operating Revenue		
Maintenance services	288,170	260,434
Hire recoveries	992	1,793
Direct expense recoveries	15,139	11,320
Total operating revenue	**304,300**	**273,547**
Other income		
Interest income	19	6
Other income	777	592
Total other income	**795**	**598**

5. Expenses

	2021 $'000	2020 $'000
Expenses		
Depreciation	7,526	6,602
Employee benefits expense	216,287	168,602
IPO costs	-	856
Finance costs		
Interest expense	1,143	1,519
Other finance costs	284	216

6. Tax

(a) Income tax expense	2021 $'000	2020 $'000
Components of income tax expense		
Current income tax expense	10,125	7,102
Deferred tax expense	(1,760)	404
Under/(over) provision in respect of prior year	(928)	(99)
	7,437	**7,407**
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	26,779	24,911
Tax at the Australian tax rate of 30% (2020 - 30%)	8,034	7,473
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Non-deductible expenses	38	34
• Differences in foreign tax rates	(334)	(306)
• Other	627	305
Under / (over) provision in prior year	(928)	(99)
	7,437	**7,407**
(b) Deferred tax		
Deferred tax assets:		
The balance comprises temporary differences attributed to:		
• Lease liability	1,018	-
• Accrued expenses and provision	2,175	853
• Employee leave entitlements	937	578
• Tax losses	480	217
• Other	462	360
	5,072	**2,008**
Deferred tax liabilities		
The balance comprises temporary differences attributed to:		
• Accrued revenue and prepayment	-	4
• Right of use asset	1,009	-
• Property, plant and equipment	1,442	1,093
• Other	(50)	-
	2,401	**1,097**

(c) Reconciliations	Opening balance $'000	Recognised in Profit or Loss $'000	Charged to tax provision $'000	Closing balance $'000
2021				
Deferred tax assets				
Lease liability	-	1,018	-	1,018
Accrued expenses and provision	853	1,322	-	2,175
Employee leave entitlements	578	359	-	937
Tax losses	217	263	-	480
Other	360	102	-	462
	2,008	**3,064**	**-**	**5,072**
Deferred tax liabilities				
Accrued revenue and prepayment	4	(4)	-	-
Right of use asset	-	1,009	-	1,009
Property, plant and equipment	1,093	349	-	1,442
Other	-	(50)	-	(50)
	1,097	**1,304**	**-**	**2,401**
2020				
Deferred tax assets				
Accrued expenses and provision	889	138	(174)	853
Employee leave entitlements	293	34	251	578
Tax losses	159	34	24	217
Other	555	(25)	(170)	360
	1,896	**181**	**(69)**	**2,008**
Deferred tax liabilities				
Accrued revenue and prepayment	45	(35)	(6)	4
Property, plant and equipment	504	625	(36)	1,093
Other	-	(4)	4	-
	549	**586**	**(38)**	**1,097**

7. Segment Information

Management has determined that the strategic operating segments comprise of Australia, United States, Rest of World and Corporate. These reporting segments provide a balanced view of cross-operational performance across business units, recognising and compensating for inter-regional differences in relation to technical methodologies and processes, the cost of labour, the existence of competition and differing customer requirements that may affect product pricing.

Segment information provided to the Chief Executive Officer for the year ended 30 June 2021 is as follows:

2021	Australia $'000	United States $'000	Rest of World $'000	Corporate $'000	Total $'000
Financial performance					
Maintenance services	260,154	22,057	5,959	-	288,170
Hire recoveries	991	-	-	-	991
Direct expense recoveries	12,166	2,140	833	-	15,139
Other revenue	930	16	(173)	22	795
Revenue	**274,241**	**24,213**	**6,619**	**22**	**305,095**
EBITDA	29,390	6,772	2,217	(2,647)	35,732
Depreciation and amortisation	(5,909)	(1,271)	(39)	(307)	(7,526)
EBIT	23,481	5,501	2,178	(2,954)	28,206
Finance costs	(1,062)	(168)	(30)	(167)	(1,427)
Income tax (expense)/benefit	(6,013)	(1,033)	(898)	507	(7,437)
Net profit after tax	**16,406**	**4,300**	**1,250**	**(2,614)**	**19,342**
Other Segment Information					
Assets	92,622	15,701	4,818	8,065	121,206
Liabilities	50,173	5,795	1,361	3,205	60,534

2020	Australia $'000	United States $'000	Rest of World $'000	Corporate $'000	Total $'000
Financial performance					
Maintenance services	235,868	12,096	12,470	-	260,434
Hire recoveries	1,793	-	-	-	1,793
Direct expense recoveries	9,247	1,730	343	-	11,320
Other revenue	350	3	231	14	598
Revenue	**247,258**	**13,829**	**13,044**	**14**	**274,145**
EBITDA	29,193	3,059	2,106	(1,332)	33,026
Depreciation and amortisation	(5,335)	(914)	(58)	(295)	(6,602)
EBIT	23,858	2,145	2,048	(1,627)	26,424
Finance costs	(1,199)	(156)	7	(165)	(1,513)
Income tax (expense)/benefit	(6,875)	(469)	(388)	325	(7,407)
Net profit after tax	**15,784**	**1,520**	**1,667**	**(1,467)**	**17,504**
Other Segment Information					
Segment assets	75,598	6,933	10,255	7,961	100,747
Segment liabilities	44,187	5,655	1,153	1,635	52,630

8. Earnings Per Share (EPS)

	2021 $'000	2020 $'000
Basic and diluted earnings per share (cents)	9.67	8.75
Net profit used in the calculation of basic and diluted earnings per share ($'000)	19,342	17,504
Weighted average number of shares used in the calculation of basic and diluted EPS (shares)	200,000	200,000

9. Dividends

	2021 $'000	2020 $'000
Dividends paid		
Dividends declared and paid during the year		
• Final fully franked ordinary dividend for the year ended 30 June 2019 franked at the tax rate of 30%	-	2,000
• Interim fully franked ordinary dividend for the year ended 30 June 2020 of 1.5 cents per share paid on 17 September 2020 franked at the tax rate of 30%	-	2,280
• Final fully franked ordinary dividend for the year ended 30 June 2020 of 1.5 cents per share paid on 17 September 2020 franked at the tax rate of 30%	3,000	-
• Interim fully franked ordinary dividend for the year ended 30 June 2021 of 1.5 cents per share paid on 17 March 2021 franked at the tax rate of 30%	3,000	-
	6,000	**4,280**
Dividends declared after 30 June 2021		
• The Company has resolved to declare a final fully franked ordinary dividend of 1.5 cents per share payable on 28 September 2021 franked at the tax rate of 30%	3,000	-
Franking account balance		
Dividends declared and paid during the year		
• Franking credits available for subsequent financial years as at 30 June 2021	5,472	1,186
• Imputation debits that will arise from the payments of dividends declared but not recognised in the financial statements	(1,286)	-
• Adjusted franking account balance	**4,186**	**1,186**

10. Cash and Cash Equivalents

	2021 $'000	2020 $'000
Reconciliation of cash flow from operations with Profit after Income Tax		
Profit for the year	19,342	17,504
Depreciation	7,526	6,602
Share of profit from associates	(1,004)	-
Gain/(loss) on disposal of property, plant and equipment	3	(36)
Impact of foreign exchange	(455)	-
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(12,360)	(555)
(Increase)/Decrease in other assets	298	63
(Increase)/Decrease in deferred tax assets	(1,759)	(112)
(Decrease)/Increase in trade and other payables	2,645	(4,993)
(Decrease)/Increase in provisions	652	764
(Decrease)/Increase in tax liability	1,267	616
(Decrease)/Increase in deferred tax liability	-	548
Net cash flow from operating activities	**16,155**	**20,401**

11. Trade and Other Receivables

	2021 $'000	2020 $'000
Trade receivables	67,499	53,946
Other receivables	700	1,630
Allowance for expected credit losses	(318)	(55)
	67,881	**55,521**

Trade receivables are non-interest bearing and are generally on terms between 30 and 90 days.

12. Other Assets

	2021 $'000	2020 $'000
Current		
Prepayments	877	1,074
Other	79	167
	956	**1,241**
Non-current		
Other	320	335
	320	**335**

13. Property Plant and Equipment

	Buildings and property $'000	Office furniture and equipment $'000	Plant equipment and motor vehicles $'000	Total $'000
2021				
Cost	650	1,744	59,060	61,454
Accumulated depreciation	(233)	(846)	(23,453)	(24,532)
	417	**898**	**35,607**	**36,922**
Movement in property, plant and equipment				
At 1 July 2020	483	794	31,265	32,542
Additions	19	364	10,914	11,297
Disposals	-	(34)	(94)	(128)
Depreciation	(85)	(226)	(6,478)	(6,789)
	417	**898**	**35,607**	**36,922**

	Buildings and property $'000	Office furniture and equipment $'000	Plant equipment and motor vehicles $'000	Total $'000
2020				
Cost	631	1,409	48,246	50,286
Accumulated depreciation	(148)	(621)	(16,975)	(17,744)
	483	**788**	**31,271**	**32,542**
Movement in property, plant and equipment				
At 1 July 2019	530	782	24,935	26,247
Additions	31	189	13,776	13,996
Disposals	-	-	(1,704)	(1,704)
Depreciation	(78)	(177)	(5,742)	(5,997)
	483	**794**	**31,265**	**32,542**

14. Investment in Associates

	Country of Incorporation	% of Equity Interest 2021	2020
Western Plant Hire Holdings Limited	Australia	25%	-

In the current year, Mader Group acquired a 25% equity interest in Western Plant Hire Holdings Limited for cash consideration of $3.5m. Transaction costs associated with the investment were not material. The associate is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies. The summarised financial information in respect of the associate is set out below and represents the amounts in the associate's financial statements prepared in accordance with the Australian Accounting Standards.

	2021 $'000	2020 $'000
Statement of Financial Position		
Current assets	12,907	-
Non-current assets	42,416	-
Total assets	**55,323**	**-**
Current liabilities	14,876	-
Non-current liabilities	24,008	-
Total liabilities	**38,884**	**-**
Net assets	**16,439**	**-**
Issued capital	8,965	-
Retained earnings	7,474	-
Total equity	**16,439**	**-**
Statement of Financial Performance		
Revenue	17,268	-
Profit for the year	4,048	-
Other comprehensive income	-	-
Total comprehensive income	**4,048**	**-**
Reconciliation to carrying amount of interest:		
Net assets of associate	16,439	-
Proportion of the Group's ownership interest	4,110	-
Goodwill	393	-
Associates that are not individually material	148	57
Carrying amount of Group's Interest	**4,651**	**57**

15. Right of Use Assets

	2021 $'000	2020 $'000
Buildings and property:		
Cost	4,884	3,216
Accumulated depreciation	(1,385)	(629)
	3,499	**2,587**
Opening balance	2,587	3,092
Additions	1,641	-
Depreciation expense	(737)	(505)
Foreign exchange	8	-
	3,499	**2,587**
Amounts recognised in profit or loss:		
Depreciation expense on right of use asset	737	505
Interest expense on lease liabilities	145	126
Expense relating to short-term leases or low value assets	283	218

16. Trade and Other Payables

	2021 $'000	2020 $'000
Trade payables	1,970	1,659
Accrued expenses	10,364	7,617
Other payables	9,209	9,622
	21,543	**18,898**

Trade payables are non-interest bearing and are normally settled on 30-day terms.

17. Provisions

	2021 $'000	2020 $'000
Current		
Provision for annual leave	1,670	1,307
	1,670	**1,307**
Non-current		
Provision for long service leave	888	599
	888	**599**

18. Borrowings

	2021 $'000	2020 $'000
Current		
Secured borrowings – asset financing	7,616	7,751
Secured borrowings – working capital	10,689	5,638
Unsecured borrowings – Other	732	388
	19,037	**13,777**
Non-current		
Secured borrowings – asset financing	7,730	10,618
Unsecured borrowings – Other	392	520
	8,122	**11,138**

The Group has access to the following lines of credit:

	2021 $'000	2020 $'000
Facilities used:		
Secured borrowings – asset financing	15,346	18,369
Secured borrowings – working capital	10,689	5,638
Unsecured borrowings – Other	1,124	908
	27,159	**24,915**
Facilities not used:		
Secured borrowings – asset financing	9,654	-
Secured borrowings – working capital	28,972	16,362
Unsecured borrowings – Other	-	-
	38,626	**16,362**
Facilities available:		
Secured borrowings – asset financing[1]	25,000	18,369
Secured borrowings – working capital[1]	39,660	22,000
Unsecured borrowings – Other	1,124	908
	65,784	**41,277**

[1] In the current reporting period, $25m of the asset financing and $40m of the working capital facilities are part of a multi borrower facility which is subject to a yearly annual review and financial covenants measured on the reporting dates of 31 December and 30 June. In addition, there is a general security charge over the current and future assets of the obligor group of Mader Group. As at 30 June 2021, the Group is in compliance with its financial covenants.

19. Issued Capital

	30 June 2021 Number of shares	30 June 2020 Number of shares	30 June 2021 $'000	30 June 2020 $'000
Issued Capital	200,000,000	200,000,000	**2**	**2**

Ordinary shares

Fully paid ordinary shares carry one vote per share and entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limit on the amount of authorised capital.

20. Reserves

Nature and purpose of reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of foreign operations with functional currencies other than those of the presentation currency of these financial statements.

21. Financial Instruments

Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments which include foreign currency risk, interest rate risk, credit risk and liquidity risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Group's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. Different methods are used to measure different types of risk to which the Group is exposed to. These methods include age analysis in the case of credit risk and monitoring market rates in the case of interest rate risk.

Risk management is carried out by the finance function under principles and parameters approved by the Board of Directors. The finance function identifies and evaluates financial risks in close co-operation with the Group's operating units.

Foreign currency risk

The Group operates internationally and undertakes transactions denominated in foreign currencies, primarily with respect to the US dollar. Consequently, exposures to exchange rate fluctuations arise as a result of transactions that are denominated in a currency other than the Group's functional currency. To minimise the risk, management utilises a natural hedge by ensuring both the customer contracts and recoverable costs are denominated in the same foreign currency. As a result, the impact to the profit or loss would be immaterial.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations based on floating interest rates. Manages the interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings and analyses its interest rate exposure on an ongoing basis.

			Fixed interest rate maturing within			
	Weighted average interest rate	**Floating interest rate $'000**	**1 year or less $'000**	**Over 1 year $'000**	**Non-interest bearing $'000**	**Total $'000**
2021						
Financial assets						
Cash and cash equivalents	5.4%	3,209	-	-	-	3,209
Trade and other receivables	-	-	-	-	67,881	67,881
		3,209	**-**	**-**	**67,881**	**71,090**
Financial Liabilities						
Trade and other payables	-	-	-	-	21,543	21,543
Lease liabilities	4.3%	-	549	3,134	-	3,683
Borrowings	3.3%	10,689	8,348	8,123	-	27,159
		10,689	**8,897**	**11,257**	**21,543**	**52,385**
2020						
Financial assets						
Cash and cash equivalents	4.5%	6,456	-	-	-	6,456
Trade and other receivables	-	-	-	-	55,521	55,521
		6,456	**-**	**-**	**55,521**	**61,977**
Financial Liabilities						
Trade and other payables	-	-	-	-	18,898	18,898
Lease liabilities	4.3%	-	491	2,096	-	2,587
Borrowings	6.8%	5,638	8,139	11,138	-	24,915
		5,638	**8,630**	**13,234**	**18,898**	**46,400**

A sensitivity analysis has not been disclosed in relation to the floating interest rate financial instruments as the net results of a reasonable change in interest rates has been determined to be immaterial to the profit or loss.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The credit risk associated with the Group's financing activities is limited because counterparties are banks with high credit ratings assigned by international credit-rating agencies.

As the Group's activities are largely focused on the mining and mining services industry, its credit risk for trade receivables is concentrated in this sector. The Group's exposure to credit risk for trade receivables is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate. To further minimise the Group's credit risk exposure, transactions are entered into with a number of key operators within the resources industry. During the financial year two customers individually contributed greater than 10% of group revenue.

Individual risk exposures are set for customers in accordance with specified limits established by management based on independent credit reports, financial information, credit references and the Group's credit and trading history with the customer. Outstanding trade receivables are regularly monitored with focus being placed on customers that exceed their credit terms and who are not within the specified limits established by management. Refer to the 'Trade and Other Receivables' note for further details on the expected credit loss allowance recognised. The maximum exposure to credit risk, without considering the value of any collateral or other security, in the event that other parties fail to perform their obligations is the carrying amount of the financial assets as indicated in the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of its available financing facilities. The Group has established a number of policies and processes for managing liquidity risks which include:

- maintaining adequate borrowing and finance facilities
- monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	1 year or lesss $'000	1 to 5 years $'000	5 years or mores $'000	Contractual cash flows $'000	Carrying amount $'000
2021					
Trade and other payables	21,543	-	-	21,543	21,543
Lease liabilities	697	2,657	947	4,301	3,683
Borrowings	19,362	8,224	-	27,586	27,159
	41,602	**10,881**	**947**	**53,430**	**52,385**
2020					
Trade and other payables	18,898	-	-	18,898	18,898
Lease liabilities	491	2,096	-	2,587	2,587
Borrowings	13,918	11,077	-	24,995	24,915
	33,307	**13,173**	**-**	**46,480**	**46,400**

22. Commitments and Contingencies

(a) Capital Expenditure Commitments

	2021 $'000	2020 $'000
Capital Commitments		
Committed at the reporting date but not recognised as liabilities:		
• Property, plant and equipment	15,438	-
	15,438	**-**

(b) Contingencies

There is no contingent assets or liabilities as at 30 June 2021 (2020: nil).

23. Auditors' Remuneration

	2021 $	2020 $
BDO Audit (WA) Pty Ltd and related network firms		
Audit and review of financial statements		
• Group	104,892	112,000
• Subsidiaries	17,125	30,000
	122,017	**142,000**
Non-audit services		
• Taxation compliance services	44,260	141,948
• Consulting services	-	45,021
	44,260	**186,969**
Total services provided by BDO	**166,277**	**328,969**
Remuneration of other auditors and their related network firms		
Audit and review of financial statements		
• Subsidiaries	30,798	21,573
Non-audit services		
• Taxation compliance services	-	6,330
Total services provided by other auditors	**30,798**	**27,903**
Total auditor's remuneration	**197,075**	**356,872**

24. Subsidiaries

The consolidated financial statements of the Group include:

	Country of Incorporation	% of Equity Interest 2021	% of Equity Interest 2020
Mader Contracting Pty Ltd	Australia	100%	100%
Mader Queensland Pty Ltd	Australia	100%	100%
Mader Services Pty Ltd	Australia	100%	100%
Mader Plant Hire Pty Ltd	Australia	100%	100%
Mader Corporation	USA	100%	100%
Neto Crystal Worldwide Company Limited	British Virgin Islands	100%	100%
Mader International Limited	Hong Kong	100%	100%
Global Maintenance Solutions Pte Ltd	Singapore	100%	100%
MI Mechanical Limited	Mauritius	100%	100%
Mader Gobi LLC	Mongolia	100%	100%
Mader Mechanical Limited	Zambia	100%	100%
Mader Chile SPA	Chile	100%	100%
Mader DRC SARLU	Democratic Republic of Congo	100%	100%
Mader Mining (Canada) Limited	Canada	100%	100%
Mader PNG Limited	Papua New Guinea	100%	100%

25. Parent Entity Information

	2021 $'000	2020 $'000
Current assets	859	1,111
Non-current assets	13,856	4,130
Total assets	**14,715**	**5,241**
Current liabilities	2,089	2,740
Non-current liabilities	301	-
Total liabilities	**2,390**	**2,740**
Net assets	**12,325**	**2,501**
Issued capital	1	1
Retained earnings	12,324	2,500
Total equity	**12,325**	**2,501**
Profit/(Loss) after income tax for the year	**15,430**	**(3,256)**

26. Deed of Cross Guarantee

As at 30 June 2021 and 30 June 2020, the Group has not entered into a deed of cross guarantee in relation to the debts of its subsidiaries.

27. Related Party Information

(a) Parent entity

The parent entity is Mader Group Limited, which is incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are disclosed in the note 'Subsidiaries'.

(c) Key management personnel compensation

	2021 $'000	2020 $'000
Short-term employee benefits	2,163	1,619
Post-employment benefits	111	86
Other long-term benefits	5	32
	2,279	**1,737**

Detailed remuneration disclosures are provided in the Remuneration Report.

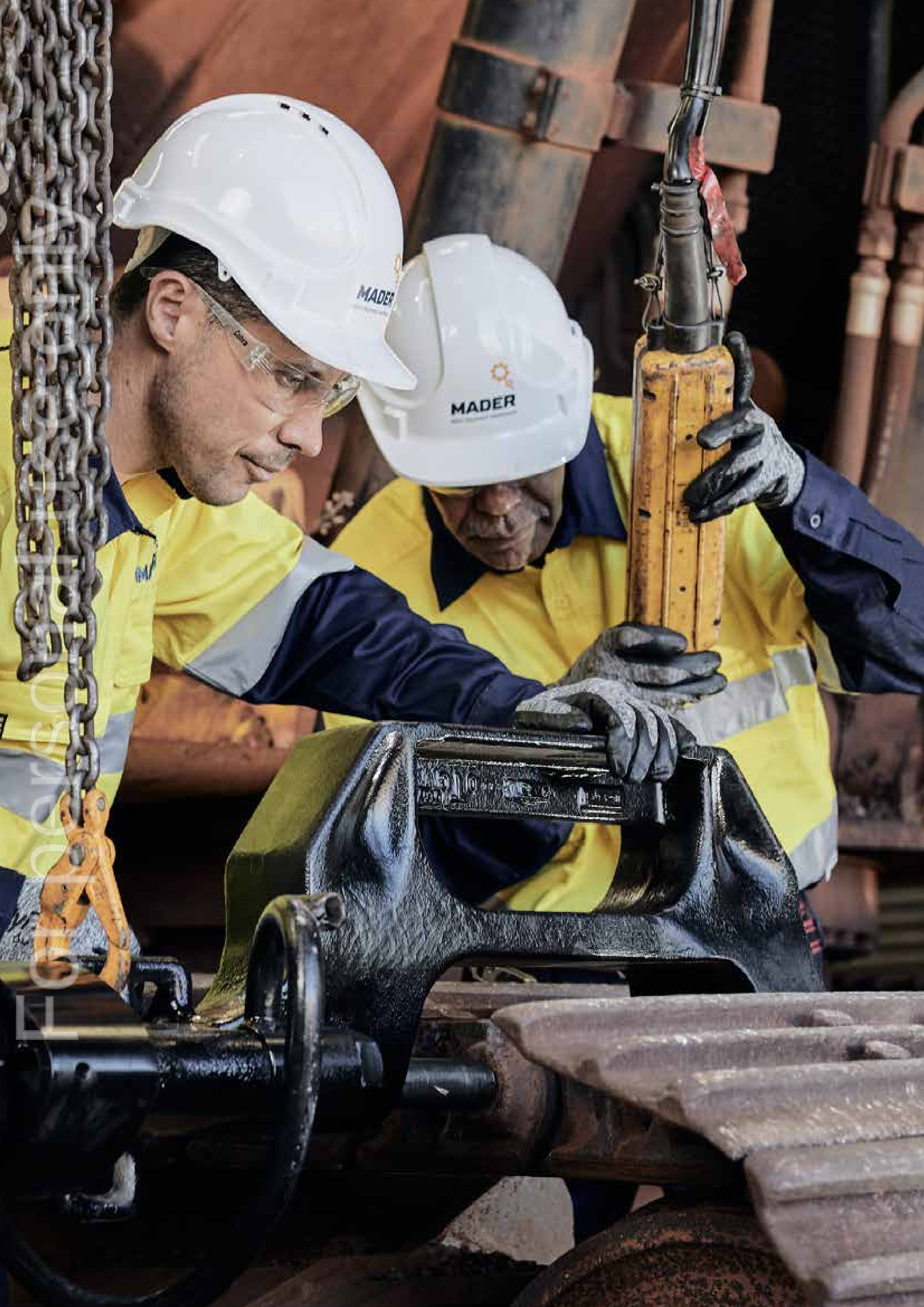
(d) Loans and other transactions with key management personnel

There were no loans to or other transactions with Directors and executives during the financial year ended 30 June 2021.

28. Events After the End of the Reporting Period

On 23 August 2021, the Company declared a final fully franked dividend of 1.5 cents per share. The total value of the dividend payment is $3.0m. The record date is 7 September 2021 with a payment date of 28 September 2021.

Other than the matter described above, there have been no other matters or circumstances that have arisen after the reporting period that have 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 periods.


MADER
MADER

Director's Declaration

In the Directors opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001*, including:
   (a) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (b) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of the performance for the financial year ended on that date.
2. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.
3. The remuneration disclosures contained in the Remuneration Report in the Directors' Report comply with section 300A of the *Corporations Act 2001.*
4. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

Jim Walker
Non-Executive Chairman

Dated this 23rd day of August 2021

Independent Audit Report

BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Mader Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mader Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

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

For personal use only

Revenue Recognition

Key audit matter	*How the matter was addressed in our audit*
Revenue is disclosed in Note 2(m) and Note 4 of the financial report. Revenue is generated from multiple streams and across different geographic locations. This area is a key audit matter as revenue is one of the key drivers to the Group's performance and there is a significant volume of transactions included in revenue.	Our audit procedures included but were no limited to the following: • Assessing the Group's revenue recognition policy's for compliance with AASB 15 Revenue from Contract with Customers • Performing analytical procedures to understand movements and trends in revenue for comparisons against expectations; • Obtaining and evaluating credit notes issued post year end and performing cut-off testing to ensure revenue transactions around year end have been recorded in the correct reporting period; • Agreeing, for a sample of revenue transactions, the amounts recorded by the Group to supporting documentation to confirm the existence and accuracy of the revenue recognised and to consider whether the transaction was recorded in the correct period; and • Assessing the adequacy of the relevant disclosures within the financial statements.

BDO

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 26 to 32 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Mader Group Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 23 August 2021


MADER
HEAVY EQUIPMENT MAINTENANCE
MADER
Bisley

Shareholder Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 6 August 2021.

Distribution of Ordinary Shares

The number of shareholders, by size of holding, are:

Range	Number of holders	Number of shares
1 - 1,000	179	106,495
1,001 - 5,000	491	1,354,592
5,001 - 10,000	211	1,608,503
10,001 - 100,000	355	10,890,306
100,001 and over	47	186,040,104
Total	**1,283**	**200,000,000**

The number of shareholders holding less than a marketable parcel of ordinary shares is 47 (being 511 Shares as at 6 August 2021).

Voting Rights

All ordinary shares carry one vote per share without restriction.

Restricted Securities

There are no restricted securities on issue.

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Name	Number of shares	% of shares
1. Luke Mader, Amy Mader, and Maidment Bridge Farm Investments Pty Ltd[1]	112,000,000	56.00%
2. Skye Alba Pty Ltd[2]	40,000,000	20.00%

1 See ASX Announcement on 30 September 2019.
2 See ASX Announcement on 9 March 2021.

Twenty Largest Shareholders

The names of the twenty largest registered holders of quoted ordinary shares are:

Name		Number of shares	% of shares
1.	MAIDMENT BRIDGE FARM INVESTMENTS PTY LTD	63,750,000	31.88
2.	MR LUKE BENJAMIN MADER	42,500,000	21.25
3.	SKYE ALBA PTY LTD	40,000,000	19.00
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,556,444	4.78
5.	MS AMY MADER	5,750,000	2.88
6.	CITICORP NOMINEES PTY LIMITED	5,474,555	2.74
7.	NATIONAL NOMINEES LIMITED	4,185,454	2.09
8.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,939,174	1.47
9.	GOTTERDAMERUNG PTY LIMITED <GOTTERDAMERUNG FAMILY A/C>	1,848,000	1.00
10.	CAVES HOUSE HOLDINGS PTY LTD	1,390,000	0.92
11.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	824,966	0.70
12.	B & R JAMES INVESTMENTS PTY LIMITED <JAMES SUPERANNUATION A/C>	600,000	0.41
13.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	426,671	0.30
14.	MR GREGORY ROSS MADER + MRS IRENE THERESE MADER <GREG MADER SUPER FUND A/C>	420,000	0.21
15.	MR CHARLES DENTON KOCH	400,000	0.21
16.	ROSALEA PTY LTD <THE MARILYN BURTON SUPER A/C>	350,000	0.20
17.	BOND STREET CUSTODIANS LIMITED <SMONT - V13182 A/C>	307,095	0.18
18.	BOTSIS HOLDINGS PTY LTD	300,000	0.15
19.	GANG - GANG PTY LTD <PIPPA A/C>	300,000	0.15
20.	W FAIRWEATHER & SON PTY LTD	300,000	0.15
Total		**181,622,359**	**90.81**

Securities Exchange Quotation

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: MAD). The Home Exchange is Perth.

On-market Share Buy-back

There is no current on-market buy-back.

Corporate Governance Statement

The Company's Corporate Governance Statement for the 2021 financial year can be accessed at:
www.madergroup.com.au/investor-centre/corporate-governance


MADER
MICHAELA
MADER

MADER

WA

Perth Head Office

admin@madergroup.com.au
+61 8 9353 3393

Perth Workshop

workshop@madergroup.com.au
+61 8 9353 3393

Kalgoorlie Office

admin@madergroup.com.au
+61 8 9353 3393

QLD

Brisbane Office

admin@madergroup.com.au
+61 7 3059 6140

SA

Adelaide Office

admin@madergroup.com.au
+61 488 551 909

USA

Fort Collins Office

admin@madergroup.com
+1 970 889 1298

Reno Office

admin@madergroup.com
+1 970 889 1298

Cononsburg Office

admin@madergroup.com
+1 970 889 1298

MECHANICALLY MINDED

www.madergroup.com.au