ANNUAL REPORT

GASCOYNE WATER CO-OPERATIVE LTD

FOR THE PERIOD ENDING
30 JUNE 2023

Gascoyne Water Cooperative Ltd
50 Boundary Road
PO Box 5
CARNARVON WA 6701

Phone: (08) 9941 4488
Fax: (08) 9941 4499
ABN 32 590 776 789

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1. CHAIR’S REPORT

I am thrilled to extend a warm invitation to all members to attend the upcoming Gascoyne Water Co-operative (GWC) Annual General Meeting, scheduled for 14 March 2024, at the Dalmacija Club, Carnarvon. Your active participation is paramount as we collectively steer the Co-operative towards a prosperous future to benefit each and every member.

As of 30 June 2023, Mr. Rod Sweetman held the position of Chair, from which he has since retired. I assumed the role of Chair after the conclusion of the reporting period. Mr. Sweetman leaves an enduring contribution to the Co-operative. His accomplishments are numerous, ranging from securing significant annual savings on electricity costs to negotiating in GWCs favour with the Water Corporation. Mr. Sweetman's expertise, including engineering, construction, compliance, and governance, has enriched the Co-operative. On behalf of the GWC Board of Directors, I would like to express my heartfelt gratitude to Mr. Sweetman for his exemplary leadership, unwavering commitment, and invaluable contributions. His reservoir of innovative ideas, commitment, and wealth of knowledge have not only shaped the Co-operative's past but will undoubtedly resonate well into its future.

Key Highlights from the 2022-2023 Financial Year:

- **GISAM Project**: The GISAM Project was extensively planned by the conclusion of the reporting period. Construction activities commenced shortly after and are expected to increase water delivery from a maximum of 260 litres per second to 596 litres per second.
- **Regulatory Excellence**: We remain steadfast in maintaining a positive relationship with the Economic Regulatory Authority. Our commitment to Asset Management Systems Reviews on a 3-year cycle and an extended Operational Audit on a 4-year cycle underscores our dedication to transparent and effective governance.
- **Water Quality Assurance**: Our proactive monitoring ensures optimal conditions for members and provides a solid foundation for sustained success.
- **Cybersecurity Measures**: To fortify our operations, robust cybersecurity measures have been implemented, securing the integrity and confidentiality of our systems.

Future Plans for GWC:

- **Strategic Plan**: A review of the organisation’s direction will involve key elements such as prioritising tasks and allocating resources, financial and environmental sustainability, effective risk management, performance measurement, governance improvements, effective decision making, and engagement with stakeholders.
- **Insurance Coverage**: Our insurance broker is actively working towards securing Directors and Officers Liability Insurance for GWC office holders, ensuring comprehensive coverage for our dedicated leadership.
- **Co-operative Consolidation**: We have initiated the process of consolidating the Co-operatives into a single entity, a strategic move guided by our legal counsel.
- **Northern Borefield Asset Transfer**: The successful transfer of assets from the Northern Borefield demonstrates our commitment to efficient resource management.
- **Southern Borefield Asset Transfer**: In alignment with the Australian Government's recommendations from the early 1990’s, we will commence expansion plans to become the sole irrigation water supplier in the region. Ownership of the Southern Borefield

would emphasise member ownership, development, and the delivery of water at the most sustainable prices.

Mr. Nic Cuthbert, Operations Manager at the Carnarvon Growers Association, was appointed as a casual Non-Member Director on 22 December 2022. At the upcoming Annual General Meeting, Mr. Cuthbert will seek Member endorsement for a Non-Member Director position on the GWC Board of Directors. Mr. Cuthbert qualifies under Rule 47.2 due to his commercial qualifications and experience.

I would also like to extend my gratitude to:

- our esteemed Members for your steadfast support.
- the dedicated Board of Directors for their commitment to members' interests.
- our conscientious Co-operative Secretary, Dennis Wade, for his invaluable contributions.
- the newly appointed General Manager, Finance Manager, Governance & Compliance Officer and Administration Assistant for their relentless dedication and efforts.

Collaborating with you is the most gratifying and rewarding aspect of my position as Chairman. I eagerly look forward to the ongoing cooperation as we collectively shape a dynamic and prosperous future for Gascoyne Water Co-operative Ltd.

Sincerely,

Domenico Condo

Chair of the Board

Gascoyne Water Co-operative Ltd

2. GENERAL MANAGER'S REPORT

Hello Growers,

I look forward to seeing you at the Gascoyne Water Cooperative Annual General Meeting to be held on 14 March 2023, at the Dalmacija Club. I encourage all Members to actively participate.

Although my employment had not commenced by the close of the reporting period, I acknowledge that the 2022-2023 financial year posed challenges for many in Carnarvon. GWC members experienced unfavorable market prices and rising costs, including hurdles such as labour hire shortages, and fluctuating weather patterns. The Co-operative itself also faced difficulties, with 13 staff resignations leading to a vast loss of corporate knowledge. Additionally, IT issues caused data losses and invoicing challenges. Despite these challenges, there are positive developments as outlined below within the framework of the 2019-2023 Strategic Plan.

Best Practice irrigation water delivery: Provide services to Members and other customers in a cost effective and sustainable manner.

- Fees and charges remain at:
  - Variable fees are $0.1122 per kilolitre consumed.
  - Fixed fees are $0.2022 per kilolitre allocated.
- The supply of 7.13 gigalitres of non-potable irrigation water was achieved in 2022-2023.
  - Northern Borefield - 2.4 gigalitres
  - Southern Borefield - 4.73 gigalitres
  - Unrestricted pumping was declared in April 2023 due to a river flow.
- The 2022 Operational Audit and Asset Management Systems Review conducted by the Economic Regulation Authority achieved positive results:
  - 2 post audit recommendations were received.
  - The audit period for the Operational Audit was increased from 3 yearly to 4 yearly.

Improved governance and operational procedures:

- A new Northern Borefield Operating Strategy was developed.

Expansion plans for the Carnarvon Irrigation Area:

- GISAM (Gascoyne Irrigation Scheme Augmentation & Modernisation)
  - As of 30 June 2023, $1.86 m of the $2.4 million grant had been received.
  - Funding was facilitated by our good friends at the Department of Primary Industries and Regional Development (DPIRD) and will assist in payment of construction costs.
  - The GISAM Project will equip 17 new bores in the Northern Borefield, provide telemetry at each Members property, and modernising monitoring software.
- GBFI (Gascoyne Food Bowl Initiative)
  - This project continues and will be finalised once each land release area is supplied with a GWC meter.

- The successful delivery of these projects supports GWC's expansion and improved service delivery goals and results in:
    - Increased water volume by a factor 2.3 times.
    - Equitable water delivery for all GWC Members.
    - Expansion of borefield area and allocation licensed to Gascoyne Water.
    - Growth of the Carnarvon Horticultural industry.
    - Expansion of Gascoyne Water's asset base and membership.
    - Improved stability and efficiency of the irrigation water system

The GWC Team are committed to continuous improvement and appreciate your patience during the recent accounts audit. While IT issues persist and continue to cause delays, we are steadfast in our goal to enhance day-to-day operations, refine invoicing and financial management, improve governance, plan meticulously, elevate customer service and engagement, offer transparent reporting, and progress with our operational expansion projects.

I am grateful for the warm welcome extended to me by GWC Members and enjoyed meeting those who attended the sausage sizzle in November 2023. I acknowledge the wealth of knowledge possessed by GWC members and am eager to learn so that I may contribute to our shared success. I would also like to express my appreciation to the Chair and Board Members for their accessibility, collaborative spirit, trust, and commitment to improve GWC.

I extend a sincere and heartfelt thank you to Brenda, Marija, and Lisa. Their tireless efforts result in daily improvements for GWC. Their dedication makes them an invaluable team, characterised by helpfulness, diligence, compassion, and resilience.

I eagerly look forward to seeing all of you at the AGM and extending my support throughout the coming year.

Best regards,

Alexandra Bell

General Manager

Gascoyne Water Cooperative

3. BOARD OF DIRECTORS AT 30 JUNE 2023

Rodney Sweetman (Chairperson & Member Director)

Mr. Rod Sweetman's journey with the Gascoyne Water Co-operative (GWC) is a testament to his commitment and leadership. Elected as Member Director at the 2020 Annual General Meeting, he assumed the position of Chair on 16 November 2022. His GWC Membership began in 2006 upon the purchase of a plantation, however, his involvement began at Steering Committee Meetings held during his 8-year tenure as a Member of State Parliament. The result of the Committee was the incorporation of GWC and later GWAMCO.

As well as political achievements in the State Government, Mr. Sweetman served the community as a Shire of Carnarvon Councilor for 8 years. His extensive experience also includes 25 years of managing diverse private enterprises in Carnarvon, with multiple appointments to Director, Chair and Acting CEO positions with GWC. Thank you again to Mr. Sweetman for his tireless efforts in shaping GWC.

Domenico Condo (Member Director)

Mr. Domenico Condo boasts an impressive history of leadership within the GWC organisation, horticulture industry, and the local community. Mr. Condo’s involvement traces back to the Steering Committee that lead to the incorporation of GWC in 2001. Mr. Domenico Condo served on the inaugural Board of Directors with his dedication spanning 15 years, including Chairing the organisation for 8 years.

Mr. Condo has been accumulating horticulture knowledge and experience since the early 1970s. His expertise extends to water trading and management schemes, shaped by his business endeavors in the Mildura district of Victoria. Notably, he steered a failing business to remarkable heights, transforming it into a successful producer of premium grapes, citrus, beans, carrots, melons, and other vegetables. This achievement culminated in him winning the inaugural Victorian New Business of the Year Award in 1994. Mr. Condo also developed a thriving business in Carnarvon, starting from scratch in 1995 and evolving it into a table grape production facility spanning four sites. Mr. Condo is also a dedicated contributor to the Carnarvon community, actively participating in various business and community Boards and Committees since his arrival.

Paul Shain (Member Director)

Mr. Paul Shain was appointed to the Board of Directors at the 2021 Annual General Meeting. As a second-generation grower, Mr. Shain has 26 years’ experience in facing the challenges that confront the horticulture industry and is committed to steering the Gascoyne Water Co-operative towards sustainable growth. His personal involvement in growing an array of crops, including beans, capsicums, eggplant, tomatoes, chilies, and zucchinis, reflects his hands-on experience and diverse expertise.

Mr. Shain’s multifaceted role in various committees and organisations within the horticulture sector shows his proactive approach and commitment to community collaboration. His roles as Chair of Vegetables WA and Chair of the Carnarvon Growers Association Committee underscore his broader contributions to the industry at a regional level.

Denis Durmanich (Member Director)

Mr. Denis Durmanich, a second-generation grower in the Carnarvon Horticultural area, manages a diverse portfolio of businesses in the region, specialising in the cultivation of melon, capsicum, and zucchini. He is a valuable figure bringing leadership, expertise, and a dedication to fostering growth and sustainability within the region.

Mr. Durmanich has successfully completed a Co-operative Directors Course offered by the Australian Institute of Co-operative Directors, highlighting his dedication to acquiring the necessary skills and knowledge required to contribute to the governance and strategic direction of the Gascoyne Water Co-operative Ltd. As a Director and Chairman of Gascoyne Gold Pty Ltd, Mr. Durmanich oversees a vital entity that addresses the sorting, packing, and freight requirements of growers. Through this position, he plays a crucial role in supporting and enhancing the operational aspects of the local horticultural community.

Linda Lyall (Member Director)

Ms. Linda Lyall is the third generation of her family to grow on the banks of the Gascoyne River. Ms. Lyall has been a GWC grower since 2003 and grows bananas and mangoes. She was elected to the GWC Board of Directors at the Annual General Meeting held 20 November 2018. Ms. Lyall exhibits a keen interest in the development and management of the horticulture industry, supported by her broad understanding of irrigation regulatory requirements. Her commitment to staying well-informed and prepared for industry challenges and opportunities is evident through her completion of director training.

Beyond her role as a grower, Ms. Lyall has demonstrated dedication to the well-being of the local community through active involvement in numerous community projects and events. Her extensive volunteer work over the years reflects a genuine passion for community service. Incorporating a multifaceted expertise, Ms. Lyall's community-oriented spirit and continuous engagement make her a valuable asset to both GWC and the broader horticulture industry.

Nic Cuthbert (Non-Member Director)

Mr. Nic Cuthbert, Operations Manager at the Carnarvon Growers Association, assumed a casual Non-Member Director position on 22 December 2022. Mr. Cuthbert offers a wealth of skills and expertise, including senior management experience, financial acumen, qualifications in human resources, and commercial experience within the Carnarvon Horticultural Area. Mr. Cuthbert also has a keen understanding of business planning, problem-solving capabilities, crisis management skills, and currently occupies an influential role within the industry. Moreover, Mr. Cuthbert's familiarity with GWC members adds an invaluable dimension to his candidacy, reflecting his comprehensive understanding of the Co-operative's dynamics.

4. GOVERNANCE & DIRECTORS REPORT

Board Structure

The Gascoyne Water Co-operative is required to maintain a minimum of 3 and a maximum of 5 Member Directors according to Rule 47.1. Additionally, Rule 47.2 mandates a minimum of 2 and a maximum of 4 Non-Member Directors. Pursuant to Rule 48.2, the Board of Directors may nominate a Non-Member Director for election, provided they possess skills, experience, or knowledge in engineering, industrial, legal, commercial, or financial sectors.

The GWC Board currently consists of 5 Member Directors and 1 Non-Member Director. A recruitment process is nearing completion to appoint a second Non-Member Director. Director details, including their qualifications and experience, are available on the preceding pages.

Directors' Responsibilities

Directors are accountable to GWC Members for the Co-operative's performance. In fulfilling their responsibilities, Board Members are committed to serving the interests of members, customers, employees, and the broader community with honesty, transparency, fairness, and diligence.

This commitment harmonises with the Articles of Association and Directors Code of Conduct. A Board's main responsibilities are to:

- Set the strategic direction of the organisation.
- Oversee the Co-operative's financial performance.
- Appoint a CEO and conduct performance reviews.

The Board should also:

- Operate within statutory powers and policies.
- Ensure compliance with applicable laws and accounting standards.
- Advocate for and communicate effectively with members.
- Establish and review Board policies.
- Oversee risk management strategy and evaluate risk management performance.
- Play an active role in cultivating and modelling a culture of integrity.
- Oversee occupational health and safety.

In order to satisfy these obligations, Directors:

- regularly receive comprehensive reports which are compiled and presented by the Co-operatives accountant.
- receive reports from the auditor as part of the interim audit and end of year audit.
- have unrestricted access to the Co-operative's records and information.
- have the authority to engage independent experts collectively or individually if required.

Board of Directors Meetings

The Chairman, Co-operative Secretary, and Chief Executive Officer collaborate in setting meeting agendas to ensure comprehensive coverage of strategic, financial, and risk-related areas. Directors are expected to actively participate in Board Meetings and make independent decisions. During this reporting period, the Board convened a total of 12 ordinary Board Meetings as detailed below.

Director Name	No. of Meetings	Meetings Attended	Directorship Period
Mr. Rodney Sweetman	12	12	01.07.2022 – 30.06.2023
Mr. Domenico Condo	12	11	01.07.2022 – 30.06.2023
Mr. Paul Shain	12	9	01.07.2022 – 30.06.2023
Ms. Linda Lyall	12	12	01.07.2022 – 30.06.2023
Mr. Denis Durmanich	9	7	15.11.2022 – 30.06.2023
Mr. John Thomas	3	2	01.07.2022 – 15.11.2022
Mr. Tony Della Bosca	1	1	22.12.2022 – 20.01.2023
Mr. Geoff Calder	3	2	01.07.2022 – 15.11.2022
Ms. Elena Liminos	5	5	01.07.2022 – 11.12.2023
Mr. Nic Cuthbert	7	7	22.12.2022 – 30.06.2023

Directors and Officers Insurance and Deeds of Indemnity

The Co-operative's Rules mandate indemnification of its officers against all liabilities, costs, charges, losses, damages, and expenses incurred in the execution of their respective offices. Additionally, the Rules permit the payment of insurance premiums for Director and Officer Liability insurance in respect of all actions carried out in good faith.

During the reporting period, the Co-operative did not pay a premium for Directors and Officers Liability Insurance to provide coverage for the Co-operative's Directors and Officers.

The Co-operative has executed Deeds of Indemnity in favour of some past and present Directors, Secretaries, and Executives under which GWC must, to the extent permitted by law, indemnify those persons against liabilities incurred as officers of GWC to the extent that those persons are not otherwise indemnified. The indemnity extends to legal costs incurred by those persons in responding to any investigations conducted by bodies with statutory powers to investigate and in defending actions for a loss or liability incurred as an officer of GWC.

Committees of the Board

At the GWC Board of Directors meeting held 7 December 2022, Ms. Linda Lyall and Mr. Paul Shain were appointed to sit on a Legal Committee with the goal of settling the legal dispute with former service providers.

Directors’ Benefits

Except for the remuneration outlined below and Note 25, no Director of the Co-operative has received or is entitled to receive any additional benefits. No contracts have been entered into between the Co-operative and:

- a Director/s
- an entity under a Director's control,
- an entity in which the director holds a significant financial interest.

Directors’ Interests

The Directors’ interests in the Co-operative's share capital as of 30 June 2023 are detailed below. The GWC Share Register is officially maintained at the GWC office, as mandated by Section 230(1)(a) of the *Co-operatives Act 2009 (WA)*.

Director Name	A-Class Shares	C-Class Shares
Mr. Rodney Sweetman	500	5
Mr. Domenico Condo	500	160
Mr. Paul Shain	500	72
Ms. Linda Lyall	500	54
Mr. Denis Durmanich	500	132
Mr. John Thomas	500	30
Mr. Tony Della Bosca	Nil	Nil
Mr. Geoff Calder	Nil	Nil
Ms. Elena Liminos	Nil	Nil
Mr. Nic Cuthbert	Nil	Nil

Director Remuneration

A change to Director remuneration was approved by Members at the Annual General Meeting held 15 November 2022. Please note that superannuation has historically been paid in addition to Director fees. The fees payable for each position for the period before and after the change are listed below:

Position	Prior to 2022 AGM	Post 2022 AGM
Chair	$8,000	$20,000
Member Director	$6,000	$15,000
Non-member Director	$25,000	$25,000

The below table shows the Director fees paid to the person who filled each Director position in the 2022-2023 financial year. Note that some Directors occupied different positions and the dates for each position as well as the fees paid are listed:

Director Name	Position	Directorship Period	Fees Paid
Ms. Elena Liminos	Chair	01.07.2022 – 30.11.2022	$13,431.37
	Non-member Director	30.11.2022 – 11.12.2022	$739.13
Mr. Rodney Sweetman	Member Director	01.07.2022 – 29.11.2022	$2,000.00
	Chair	30.11.2022 – 30.06.2023	$22,125.98
Mr. Domenico Condo	Member Director	01.07.2022 – 30.06.2023	$11,881.25
Mr. Paul Shain	Member Director	01.07.2022 – 30.06.2023	$11,881.25
Ms. Linda Lyall	Member Director	01.07.2022 – 30.06.2023	$11,881.25
Mr. Denis Durmanich	Member Director	15.11.2022 – 30.06.2023	$9,375.00
Mr. John Thomas	Member Director	01.07.2022 – 15.11.2022	$2,565.63
Mr. Tony Della Bosca	Non-member Director	22.12.2022 – 20.01.2023	$3,871.44
Mr. Geoff Calder	Non-member Director	01.07.2022 – 15.11.2022	$9,374.98
Mr. Nic Cuthbert	Non-member Director	01.07.2022 – 30.06.2023	$13,172.02

Disputes Panel

In adherence to Rule 98.1, the Disputes Panel appointed at the 2022 Annual General Meeting comprised of 7 members. This panel includes 2 Directors and 5 members who are not Directors. The 5 members appointed to the panel are Anthony Vrankovich, Anibel Rodrigues, James Coupar, Phillip Frzop, and Zelko Borich.

Company Secretary

The position of Company Secretary was filled by three qualified people during the reporting period.

Company Secretary	Period
Ms. Wendy Lamotte	01.07.2022 – 15.11.2022
Ms. Genevieve Burnett	15.11.2022 – 20.01.2023
Mr. Dennis Wade	20.01.2023 – 30.06.2023

Proceedings

As at 30 June 2023, the Co-operative as well as a former officeholder were parties to a legal case with a former service provider. GWC reached a settlement with the former service provider after the reporting period. The case continues between the other parties.

As of February 2024, GWC has not commenced any legal proceedings. GWC has a contractual dispute with an infrastructure manufacturer and hopes to resolve it without court proceedings.

5. OPERATIONS

GWC Employees - 1 July 2022 and 30 June 2023

Ms. Jude Berry	CEO
Mr. Justin Murphy	Asset Management Advisor
Mr. Robert Lunnon	Electrical and Instrumentation Engineer
Ms. Christina Wong	Bookkeeper
Ms. Rachel Third	Executive Officer
Ms. Cherryl Lunnon	Administrative Assistant
Ms. Noleen Fraser	Customer Service
Ms. Chonte Steel	Left prior to 30 June 2023
Mr. David Petrin	Left prior to 30 June 2023
Mr. William Baston	Left prior to 30 June 2023
Ms. Genevieve Burnett	Left prior to 30 June 2023
Ms. Sandra Fraser	Left prior to 30 June 2023
Mr. Peter Butler	Left prior to 30 June 2023
Mr. Edward Smith	Left prior to 30 June 2023
Ms. Kylie Conigolo	Left prior to 30 June 2023

Service Providers

Auditor	AMD Audit & Assurance Midwest Pty – Bunbury
Banking Institution	ANZ Bank - Carnarvon
Insurance Broker	Oracle Group
Legal Advisors	Addisons Solicitors
Legal Advisors	William & Hughes

Principal Activities

The principal activities of Gascoyne Water Co-operative during the reporting period are:

- Monitoring and managing the supply of non-potable irrigation water to GWC Growers and Coral Coast Water customers within the Carnarvon Irrigation Area.
- Performing the obligations required by:
  - Northern Borefield Operating Strategy
  - Asset Management Manual
  - Service Agreement with Gascoyne Water Asset Mutual Co-operative Ltd.
- Compliance reporting (monthly, quarterly, six-monthly, annually)
- Preparing for the construction phase of the GISAM project.
- Collaborating with the Economic Regulation Authority to conduct the 2022 Operational Audit and Asset Management System Review

Water Charges

Building on favorable financial results and anticipating revenue growth from the Co-operatives' expanding business in the upcoming years, we are pleased to advise that there were no changes to the Co-operatives' water charges for the 2023 water year. This decision is a testament to our commitment to providing stability and value to our members amidst growth and success.

GWC Charge	Rate
Fixed charge	0.2022 cents per kilolitre allocated
Variable contribution	0.1122 cents per kilolitre delivered

GWAMCO Charge	Rate
Asset Replacement Contribution	0.04081 cents per kilolitre allocated
Levy	$2,040.80 per annum per meter

6. FINANCE

Key Performance Figures

Some key performance areas include:

- Income:
    - 8.5% increase in Sales Revenue to $3,685,741 in comparison to 2021-2022.
    - 18.06% increase in Total Income to $4,815,226 in comparison to 2021-2022.

- Expenses:
    - Net Loss for the year before Tax is $312,828 compared to a Net Loss before Tax in 2022 of $379,653
        - Increase in Payroll costs - 10.73%
        - Increase in Maintenance costs - 31.26%
        - Increase in Administration Expenses - 53.75%
        - Decrease in Consultant Fees - 72.31%
        - Decrease in Bad Debts - 95.27%

- Gross Profit Percentage is calculated at 63.53%, compared to 63.51% in 2022.

- Assets:
    - Increase in Trade Receivables - 19.96%
    - Increase in Inventories - 98.23%

- Liabilities:
    - Decrease in Trade Payables - 28.08%
    - Increase in Contract Liabilities - 511.35%
    - Provision for Impairment of Debtors - $30,000.

Auditor

The Audited Financial Reports are an integral part of this Annual Report, and a presentation will be provided by Tim Partridge of AMD. Your engagement in this presentation is encouraged as it will contribute to a clearer understanding of GWC's financial performance, enabling Members to make fully informed decisions.

Members are encouraged to thoroughly review the Annual Financial Report and forward questions and queries to the auditor. The auditor is appointed and serves Members. The auditor is able to present an opinion that is independent of the Board or Management, ensuring transparency.

Dividends, Distributions, Options and New Shares

During the year, Gascoyne Water Co-operative (GWC) did not distribute any dividends to its members. As a non-listed company, GWC did not issue any options over unissued shares or interests to any Director or Officer during the year or since the year's conclusion. This report is presented in accordance with a resolution passed by the Directors.

7. SUBSEQUENT EVENTS & FUTURE DEVELOPMENTS

Subsequent to the conclusion of the reporting period, the following noteworthy developments have transpired:

- Rod Sweetman retired from the role of acting CEO.
- Qualified personnel have been appointed to key positions and have commenced identifying and pursuing opportunities for improvement.
- Legal proceedings were successfully resolved.
- An independent internal audit was formally initiated.
- An application for Directors' and Officers' insurance was submitted.
- The process to become a single entity commenced.
- The construction phase of the GISAM project was initiated.
- Substantial governance enhancements have been implemented.
- A comprehensive audit of invoicing was conducted.

Gascoyne Water Co-operative Limited and Controlled Entities

ABN: 32 590 776 789

Financial Report
30 June 2023

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Gascoyne Water Co-operative Limited and Controlled Entities

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

		Consolidated Group		Parent Entity	
		2023	2022	2023	2022
	Note	$	$	$	$
Revenue					
Sales revenue	3	**3,709,885**	3,413,652	**3,430,248**	3,463,452
Other Revenue	3	**1,105,341**	644,995	**1,117,128**	692,300
Water Charges		**(1,756,183)**	(1,481,196)	**(1,737,822)**	(1,462,835)
Expenses					
Payroll expense		**(684,403)**	(618,072)	**(684,403)**	(618,072)
Depreciation and amortisation expense	4	**(7,246)**	(41,240)	**(7,246)**	(41,240)
Consultants		**(29,173)**	(105,369)	**(29,173)**	(105,369)
Writeback / (Loss) on debts written off	8	**1,060**	22,405	**1,060**	22,405
Impairment loss	4	**(1,536,921)**	(1,410,141)	**(1,536,921)**	(1,410,141)
Maintenance, operations and inventory		**(713,388)**	(543,493)	**(712,012)**	(542,929)
Administration expenses		**(401,244)**	(260,976)	**(400,367)**	(260,406)
Finance costs		**(556)**	(218)	**(556)**	(218)
Profit / (loss) before income tax		**(312,828)**	(379,653)	**(560,064)**	(263,053)
Income tax expenses	5	**(109,863)**	90,578	**(109,863)**	90,578
Profit / (loss) for the year		**(422,691)**	(289,075)	**(669,927)**	(172,475)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Revaluation increment - managed investment	11	**5,931**	-	**5,931**	-
Total comprehensive income for the year		**5,931**	-	**5,931**	-
Profit for the year is attributable to:					
Members of the parent entity		**(422,691)**	(289,075)	**(669,927)**	(172,475)
		(422,691)	(289,075)	**(669,927)**	(172,475)
Total comprehensive income for the year is attributable to:					
Members of the parent entity		**5,931**	-	**5,931**	-
		5,931	-	**5,931**	-

The accompanying notes form part of these financial statements

Gascoyne Water Co-operative Limited and Controlled Entities
Statement of financial position
As at 30 June 2023

		Consolidated Group		Parent Entity	
		2023	2022	2023	2022
	Note	$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	**4,315,368**	4,285,130	**3,770,746**	4,092,868
Trade and other receivables	8	**263,764**	219,880	**274,191**	195,324
Inventories	9	**191,470**	96,592	**191,470**	96,592
Financial assets at fair value though profit or loss	11	**307,336**	-	**307,336**	-
Financial assets at amortised cost	12	**153,668**	228,584	**153,668**	228,584
Other assets	10	**182,333**	936,950	**249,186**	936,950
TOTAL CURRENT ASSETS		**5,413,939**	5,767,136	**4,946,597**	5,550,318
NON-CURRENT ASSETS					
Financial assets	12	**-**	-	**1**	1
Property, plant and equipment	14	**-**	-	**-**	-
Right-of-use assets	15	**-**	-	**-**	-
Intangible assets	16	**-**	-	**-**	-
Deferred tax assets	17	**147,634**	257,497	**147,634**	257,497
TOTAL NON-CURRENT ASSETS		**147,634**	257,497	**147,635**	257,498
TOTAL ASSETS		**5,561,573**	6,024,633	**5,094,232**	5,807,816
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	18	**758,505**	1,054,652	**751,888**	1,053,071
Contract liabilities	19	**319,701**	52,294	**319,701**	52,294
Provisions	20	**6,043**	7,172	**6,043**	7,172
Borrowings	22	**-**	-	**1,748**	-
Lease liabilities	21	**8,891**	8,301	**8,891**	8,301
GFBI Funds Held in Trust	23	**-**	9,130	**-**	9,130
TOTAL CURRENT LIABILITIES		**1,093,140**	1,131,549	**1,088,271**	1,129,968
NON-CURRENT LIABILITIES					
Borrowings	22	**3,042,706**	3,042,706	**3,042,706**	3,042,706
Lease liabilities	21	**40,334**	49,225	**40,334**	49,225
Deferred tax liabilities	17	**-**	-	**-**	-
TOTAL NON-CURRENT LIABILITIES		**3,083,040**	3,091,931	**3,083,040**	3,091,931
TOTAL LIABILITIES		**4,176,180**	4,223,480	**4,171,311**	4,221,899
NET ASSETS		**1,385,393**	1,801,153	**922,921**	1,585,917
EQUITY					
Issued capital	24	**92,152**	91,152	**93,002**	92,002
Retained earnings		**1,293,241**	1,710,001	**829,919**	1,493,915
TOTAL EQUITY		**1,385,393**	1,801,153	**922,921**	1,585,917

The accompanying notes form part of these financial statements

Gascoyne Water Co-operative Limited and Controlled Entities
Statement of changes in equity
For the year ended 30 June 2023

	Note	Ordinary Shares	Retained Earnings	Total
		$	$	$
Consolidated Group				
Balance at 1 July 2021		91,682	1,999,076	2,090,758
Comprehensive income				
Profit for the year		-	(289,075)	(289,075)
Shares issued during the year	24	4,000	-	4,000
Shares brought-back during the year	24	(4,530)	-	(4,530)
Balance at 30 June 2022		91,152	1,710,001	1,801,153
Balance at 1 July 2022		**91,152**	**1,710,001**	**1,801,153**
Comprehensive income				
Profit for the year		**-**	**(422,691)**	**(422,691)**
Other comprehensive income for the year	11	**-**	**5,931**	**5,931**
Shares issued during the year	24	**4,500**	**-**	**4,500**
Shares brought-back during the year	24	**(3,500)**	**-**	**(3,500)**
Balance at 30 June 2023		**92,152**	**1,293,241**	**1,385,393**

	Note	Ordinary Shares	Retained Earnings	Total
		$	$	$
Parent Entity				
Balance at 1 July 2021		92,532	1,666,390	1,758,922
Comprehensive income				
Profit for the year		-	(172,475)	(172,475)
Shares issued during the year	24	4,000	-	4,000
Shares brought-back during the year	24	(4,530)	-	(4,530)
Balance at 30 June 2022		92,002	1,493,915	1,585,917
Balance at 1 July 2022		**92,002**	**1,493,915**	**1,585,917**
Comprehensive income				
Profit for the year		**-**	**(669,927)**	**(669,927)**
Other comprehensive income for the year	11	**-**	**5,931**	**5,931**
Shares issued during the year	24	**4,500**	**-**	**4,500**
Shares brought-back during the year	24	**(3,500)**	**-**	**(3,500)**
Balance at 30 June 2023		**93,002**	**829,919**	**922,921**

The accompanying notes form part of these financial statements

Gascoyne Water Co-operative Limited and Controlled Entities
Statement of cash flows
For the year ended 30 June 2023

		Consolidated Group		Parent Entity	
		2023	**2022**	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES	**Note**	**$**	**$**	**$**	**$**
Receipts from customers		**4,844,067**	4,041,087	**4,478,701**	3,895,449
Payments to suppliers and employees		**(3,046,399)**	(3,953,400)	**(3,030,821)**	(3,932,406)
Interest received		**13,377**	2,455	**9,057**	2,455
Interest paid		**(556)**	(218)	**(556)**	(218)
Net cash provided by/(used in) operating activities	27	**1,810,489**	89,924	**1,456,381**	(34,720)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(1,544,167)**	(593,795)	**(1,544,167)**	(593,795)
Proceeds on sale of property, plant & equipment		**-**	6,156	**-**	6,156
Proceeds from financial assets at amortised cost		**74,916**	1,349,921	**74,916**	1,349,921
Payments for financial assets at fair value through profit or loss		**(300,000)**	-	**(300,000)**	-
Net cash provided by/(used in) investing activities		**(1,769,251)**	762,282	**(1,769,251)**	762,282
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		**4,500**	4,000	**4,500**	4,000
Share buy-back payment		**(3,500)**	(4,530)	**(3,500)**	(4,530)
Proceeds from borrowings		**-**	**-**	**1,748**	**-**
Repayment of lease liabilities		**(12,000)**	(12,000)	**(12,000)**	(12,000)
Dividends paid to parent entity		**-**	-	**-**	250,000
Net cash provided by/(used in) financing activities		**(11,000)**	(12,530)	**(9,252)**	237,470
Net increase/(decrease) in cash held		**30,238**	839,676	**(322,122)**	965,032
Cash and cash equivalents at beginning of financial year		**4,285,130**	3,445,454	**4,092,868**	3,127,836
Cash and cash equivalents at end of financial year	7	**4,315,368**	4,285,130	**3,770,746**	4,092,868

The accompanying notes form part of these financial statements

This financial report covers Gascoyne Water Co-operative Limited and its controlled entities ('the Group'). Gascoyne Water Co-operative Limited and Controlled Entities is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 22 February 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Co-operatives Act 2009.* The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Gascoyne Water Co-operative Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 13 to the financial statements.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as 'Non-controlling Interests'. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Gascoyne Water Co-Operative Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group’s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(e) Finance costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(f) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

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

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(h) Property, plant and equipment

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

Land and buildings

Land and buildings are measured using the revaluation model. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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

Plant and equipment

Plant and equipment are measured using the cost model. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Fixed asset class

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) 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, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or 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 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.

(j) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(k) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(l) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(m) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and five years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(o) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(p) Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

(q) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(r) Provisions

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

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(s) Contract Liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

(t) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(u) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(v) 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 payments less any lease incentives receivable, variable lease payments that depend 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 and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(w) New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

(x) New Accounting Standards and Interpretations not yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(y) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, the directors believe to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

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

Incremental borrowing rate

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

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2023

Note 3 Revenue and Other Income

	Consolidated Group 2023 $	Consolidated Group 2022 $	Parent Entity 2023 $	Parent Entity 2022 $
Sales revenue				
- Revenue from water sales	**3,227,297**	2,999,393	**2,904,477**	2,752,428
- GWAMCO service agreement	**457,844**	410,483	**457,844**	410,483
- Other trading revenue	**600**	1,321	**48,104**	48,086
	3,685,741	3,411,197	**3,410,425**	3,210,997
Finance Income				
- Interest received	**21,977**	2,455	**17,656**	2,455
- Interest received - Managed Investments	**262**	-	**262**	-
- Distributions - Managed Investments	**1,905**	-	**1,905**	
- Dividend income	**-**	-	**-**	250,000
	24,144	2,455	**19,823**	252,455
Total revenue from sales	**3,709,885**	3,413,652	**3,430,248**	3,463,452
Other Income				
- Share sale revenue	**121,740**	76,800	**-**	-
- GISAM Funding	**981,722**	567,706	**981,722**	567,706
- Water Corporation on Sale Fee	**-**	-	**133,527**	124,105
- Rebates and refunds	**-**	489	**-**	489
- Staff Housing - Rent & Variables	**1,879**	-	**1,879**	-
	1,105,341	644,995	**1,117,128**	692,300

Note 4 Expenses

Profit before income tax from continuing operations included the following specific expenses:

	Note	Consolidated Group 2023 $	Consolidated Group 2022 $	Parent Entity 2023 $	Parent Entity 2022 $
Expenses					
Accounting and Legal Fees					
- General accounting and tax		**46,825**	28,573	**46,825**	28,573
- Additional one off services		**40,751**	37,313	**40,751**	37,313
- Legal Fees		**89,144**	55,746	**89,144**	55,746
		176,720	121,632	**176,720**	121,632
Finance costs					
- Interest paid		**-**	218	**-**	218
		-	218	**-**	218
Impairment loss					
- Intangible assets (computer software)	16	**-**	50	**-**	50
- Right of use asset	15	**-**	13,346	**-**	13,346
- Property, plant and equipment	14	**1,536,921**	1,396,745	**1,536,921**	1,396,745
		1,536,921	1,410,141	**1,536,921**	1,410,141
Depreciation and amortisation expense					
- Property, plant and equipment	14	**7,246**	38,921	**7,246**	38,921
- Right-of-use asset	15	-	2,287	-	2,287
- Intangible assets (computer software)	16	-	32	-	32
		7,246	41,240	**7,246**	41,240
Leases					
- Interest expense on lease liabilities		**3,699**	4,249	**3,699**	4,249
		3,699	4,249	**3,699**	4,249

Note 5 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	Consolidated Group		Parent Entity	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Profit from ordinary activities	**(312,828)**	(379,653)	**(560,064)**	(263,053)
Applicable tax rate	**25.00%**	25.00%	**25.00%**	25.00%
Prima facie tax payable on ordinary activities	**(78,207)**	(94,913)	**(140,016)**	(65,763)
Add:				
Tax effect of				
- Temporary differences	**188,071**	4,336	**249,880**	(24,815)
	188,071	4,336	**249,880**	(24,815)
Less:				
Tax effect of				
- Other allowable items	**-**	-	**-**	-
Income tax expense	**109,863**	(90,578)	**109,863**	(90,578)

	Consolidated Group		Parent Entity	
	2023	**2022**	**2023**	**2022**
CURRENT	**$**	**$**	**$**	**$**
Income tax payable	**-**	-	**-**	-
	-	-	**-**	-

Note 6 Auditor's Remuneration

	Consolidated Group		Parent Entity	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial statements	**14,030**	13,600	**14,030**	13,600
	14,030	13,600	**14,030**	13,600

Note 7 Cash and Cash Equivalents

	Consolidated Group		Parent Entity	
	2023	**2022**	**2023**	**2022**
CURRENT	**$**	**$**	**$**	**$**
Cash at bank and on hand - Unrestricted	**3,995,667**	4,276,000	**3,451,044**	4,083,738
Cash at bank and on hand - Restricted	**319,701**	9,130	**319,701**	9,130
	4,315,368	4,285,130	**3,770,746**	4,092,868

2023 Restricted funds relate to contract liabilities. Refer to Note 19 for further detail.
2022 Restricted funds relate to the unspent portion of collaborative agreement funds. Refer to Note 23 for further detail.

The effective interest rate on short-term bank deposits was 4.05% (2022 0.00%).

Reconciliation of cash

Cash at the end of the financial year, as shown in the statement of cash flows, is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	**4,315,368**	4,285,130	**3,770,746**	4,092,868
	4,315,368	4,285,130	**3,770,746**	4,092,868

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 22 for further detail.

Note 8 Trade and Other Receivables

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
CURRENT	$	$	$	$
Trade receivables	**249,037**	217,806	**246,606**	193,307
Provision for impairment	**(30,000)**	(31,060)	**(30,000)**	(31,060)
	219,037	186,746	**216,606**	162,247
Other receivables	**44,727**	33,134	**57,585**	33,077
Total current trade and other receivables	**263,764**	219,880	**274,191**	195,324

(a) Allowance for expected credit losses

The group has recognised a reversal of unused amounts of $25,346 (2022: $22,405 reversal) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated - 2023	Expected credit loss rate 2023	Carrying amount 2023	Allowance for expected credit losses 2023
	%	$	$
Not overdue	**0.0%**	**34,929**	**-**
0 to 3 months overdue	**0.0%**	**129,887**	**-**
Over 3 months overdue	**35.6%**	**84,221**	**30,000**
		249,037	**30,000**

Consolidated - 2022	Expected credit loss rate 2022	Carrying amount 2022	Allowance for expected credit losses 2022
	%	$	$
Not overdue	0.0%	103,342	-
0 to 3 months overdue	6.5%	56,836	3,673
Over 3 months overdue	47.5%	57,628	27,387
		217,806	31,060

Movements in the allowance for expected credit losses are as follows:

	2023	2022
Consolidated	$	$
Opening balance	**31,060**	53,465
Unused amounts reversed	**(1,060)**	(22,405)
Closing balance	**30,000**	31,060

Note 8 Trade and Other Receivables (Cont)

Parent - 2023	Expected credit loss rate 2023	Carrying amount 2023	Allowance for expected credit losses 2023
	%	$	$
Not overdue	**0.0%**	**34,909**	**-**
0 to 3 months overdue	**0.0%**	**128,507**	**-**
Over 3 months overdue	**36.1%**	**83,190**	**30,000**
		246,606	**30,000**

Parent - 2022	Expected credit loss rate 2022	Carrying amount 2022	Allowance for expected credit losses 2022
	%	$	$
Not overdue	0.0%	95,479	-
0 to 3 months overdue	8.3%	44,406	3,673
Over 3 months overdue	51.3%	53,421	27,387
		193,306	31,060

Movements in the allowance for expected credit losses are as follows:

	2023	2022
Parent	$	$
Opening balance	**31,060**	53,465
Unused amounts reversed	**(1,060)**	(22,405)
Closing balance	**30,000**	31,060

Note 9 Inventories

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
CURRENT	$	$	$	$
At cost:				
Consumables	**191,470**	96,592	**191,470**	96,592
	191,470	96,592	**191,470**	96,592

Note 10 Other Assets

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
CURRENT	$	$	$	$
Prepayments	**11,265**	936,950	**11,265**	936,950
Accrued Income	**171,068**	-	**237,921**	-
	182,333	936,950	**249,186**	936,950

Note 11 Financial Assets at fair value through profit or loss

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
CURRENT				
Managed Investment - designated at fair value through profit or loss	**307,336**	-	**307,336**	-
	307,336	-	**307,336**	-

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
Opening fair value	**-**	-	**-**	-
Additions	**300,000**	-	**300,000**	-
Interest earnings & distributions	**1,905**	-	**1,905**	-
Fees	**(500)**	-	**(500)**	-
Revaluation increments	**5,931**	-	**5,931**	-
Closing fair value	**307,336**	**-**	**307,336**	**-**

Note 12 Financial Assets at amortised cost

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
CURRENT				
Financial assets at amortised cost - term deposits	**153,668**	228,584	**153,668**	228,584
	153,668	228,584	**153,668**	228,584

The effective interest rate on long-term bank deposits was 4.73% (2022 0.20%).

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
NON-CURRENT	$	$	$	$
Financial assets at fair value through other comprehensive income - investment in subsidiaries	**-**	-	**1**	1
	-	-	**1**	1

Note 13 Composition of the Group

	Percentage Owned*	Percentage Owned*
	2023	2022
Name of subsidiary and place of business	**%**	**%**
Coral Coast Water Pty Ltd - Australia	100%	100%

* - The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

Note 14 Property, Plant and Equipment

	Consolidated Group		Parent Entity	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Plant and Equipment:				
- At cost	**591,520**	497,336	**591,520**	497,336
- Accumulated depreciation	**(348,381)**	(343,101)	**(348,381)**	(343,101)
- Accumulated impairment losses	**(243,139)**	(154,235)	**(243,139)**	(154,235)
	-	-	**-**	-
Land and Buildings:				
- At cost	**475,425**	-	**475,425**	-
- Accumulated depreciation	**-**	-	**-**	-
- Accumulated impairment losses	**(475,425)**	-	**(475,425)**	-
	-	-	**-**	-
Leasehold improvements				
- At cost	**85,932**	85,932	**85,932**	85,932
- Accumulated depreciation	**(28,915)**	(28,915)	**(28,915)**	(28,915)
- Accumulated impairment losses	**(57,017)**	(57,017)	**(57,017)**	(57,017)
	-	-	**-**	-
Irrigation Asset				
- At cost	**16,965,030**	15,992,437	**16,965,030**	15,992,437
- Accumulated depreciation	**(2,219,002)**	(2,219,002)	**(2,219,002)**	(2,219,002)
- Accumulated impairment losses	**(14,746,028)**	(13,773,435)	**(14,746,028)**	(13,773,435)
	-	-	**-**	-
Total property, plant and equipment	**-**	-	**-**	-

Note 14 Property, Plant and Equipment (Cont)

Movements in carrying amounts

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

	Land and Buildings $	Plant and Equipment $	Leasehold Improvements $	Irrigation Assets $	Total $
Consolidated Group					
Balance at 1 July 2021	-	53,637	3,331	784,999	841,967
Additions	-	23,835	-	569,960	593,795
Disposals	-	(96)	-	-	(96)
Depreciation expense	-	(15,601)	(84)	(23,236)	(38,921)
Impairment loss	-	(61,775)	(3,247)	(1,331,723)	(1,396,745)
Carrying amount at 30 June 2022	-	**-**	**-**	**-**	**-**
Additions	**475,425**	**96,150**	**-**	**972,592**	**1,544,167**
Depreciation expense	**-**	**(7,246)**	**-**	**-**	**(7,246)**
Impairment loss	**(475,425)**	**(88,904)**	**-**	**(972,592)**	**(1,536,921)**
Carrying amount at 30 June 2023	**-**	**-**	**-**	**-**	**-**

Impairment Testing

The recoverable amount of the consolidated entity as a cash generating unit has been determined by a value in use calculation using a discounted cash flow model, based on a 7 year projection period approved by management, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating unit is most sensitive.

The following key assumptions were used in the discounted cash flow model for the consolidated entity:
(a) 6.64% pre-tax discount rate;
(b) 2.5% per annum projected revenue growth rate.
(c) 2.0% per annum increase in operating costs and overheads

The discount rate of 6.64% pre-tax reflects managements estimate of the time value of money and the consolidated entity's weighted average cost of capital and the risk free rate.

Management believes the projected 2.5% revenue growth rate is prudent and justified, based on historical growth.

There were no other key assumptions for the consolidated entity.

Based on the above, an impairment charge of $1,563,923 has been applied as the carrying amount of the consolidated entity's assets exceeded their recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of the consolidated entity's assets is based, this would result in a further impairment charge.

Note 15 Right-of-use assets

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
Land and buildings - right-of-use	**74,212**	74,212	**74,212**	74,212
Accumulated depreciation	**(13,003)**	(13,003)	**(13,003)**	(13,003)
Accumulated impairment losses	**(61,209)**	(61,209)	**(61,209)**	(61,209)
	-	-	**-**	-

Movements in carrying amounts

	$
Consolidated Group	
Balance at 1 July 2021	15,633
Amortisation expense	(2,287)
Impairment expense	(13,346)
Carrying amount at 30 June 2022	**-**
Additions	**-**
Disposals	**-**
Depreciation expense	**-**
Impairment expense	**-**
Carrying amount at 30 June 2023	**-**

Gascoyne Water Co-Operative Limited leases land and buildings for its offices as part of its Service Agreement (Agreement) from Gascoyne Water Asset Mutual Co-Operative Ltd. The Agreement remains in effect while the consolidated entity holds the Water Service Licence (Licence) for the Carnarvon Operating Area. The Licence expires on 22 June 2028.

Impairment Testing
Details of impairment testing of the consolidated entity as a cash generating unit are outlined at Note 14.

Note 16 Intangible Assets

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
Computer software	$	$	$	$
Cost	**210,439**	210,439	**210,439**	210,439
Accumulated amortisation	**(206,530)**	(206,530)	**(206,530)**	(206,530)
Accumulated impairment losses	**(3,909)**	(3,909)	**(3,909)**	(3,909)
Net carrying amount	**-**	-	**-**	-
Total intangibles	**-**	-	**-**	-

Movements in carrying amounts

	$
Consolidated Group	
Balance at 1 July 2021	82
Amortisation expense	(32)
Impairment expense	(50)
Carrying amount at 30 June 2022	**-**
Amortisation expense	**-**
Impairment expense	**-**
Carrying amount at 30 June 2023	**-**

Impairment Testing
Details of impairment testing of the consolidated entity as a cash generating unit are outlined at Note 14.

Note 17 Deferred Tax Assets and Liabilities

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
CURRENT				
Income tax payable	-	-	-	-
Total	-	-	-	-

NON-CURRENT	Opening Balance	(Charged)/ Credited to Profit & Loss	(Charged)/ Credits Directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
Consolidated Group	$	$	$	$	$	$
Deferred tax liability						
Other	214,967	(214,967)	-	-	-	-
Balance at 30 June 2022	214,967	(214,967)	-	-	-	-
Other	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2023	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax assets						
Other	381,885	(114,088)	-	(10,300)	-	257,497
Balance at 30 June 2022	381,885	(114,088)	-	(10,300)	-	257,497
Other	**257,497**	**(109,863)**	**-**	**-**	**-**	**147,634**
Balance at 30 June 2023	**257,497**	**(109,863)**	**-**	**-**	**-**	**147,634**

Parent Entity	Opening Balance	(Charged)/ Credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
	$	$	$	$	$	$
Deferred Tax Liability						
Other	214,967	(214,967)	-	-	-	-
Balance at 30 June 2022	214,967	(214,967)	-	-	-	-
Other	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2023	**-**	**-**	**-**	**-**	**-**	**-**
Deferred Tax Assets						
Other	381,885	(114,088)	-	(10,300)	-	257,497
Balance at 30 June 2022	381,885	(114,088)	-	(10,300)	-	257,497
Other	**257,497**	**(109,863)**	**-**	**-**	**-**	**147,634**
Balance at 30 June 2023	**257,497**	**(109,863)**	**-**	**-**	**-**	**147,634**

Note 18 Trade and Other Payables

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
CURRENT				
Trade payables	**311,298**	969,987	**305,556**	969,987
Other payables	**447,207**	84,665	**446,332**	83,084
	758,505	1,054,652	**751,888**	1,053,071

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Note 19 Contract Liabilities

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
CURRENT				
Contract liabilities	**319,701**	52,294	**319,701**	52,294
	319,701	52,294	**319,701**	52,294

Contract liabilities relate to funding received under the Financial Assistance Agreement for the *Gascoyne Irrigation Scheme Augmentation and Modernisation* project. Up to 30 June 2023 $1,860,000 funding was received of which $1,540,299 was spent on the project.

Note 20 Provisions

	Consolidated Group		Parent Entity	
Analysis of Provisions	2023	2022	2023	2022
CURRENT	$	$	$	$
Annual Leave				
Opening balance at 1 July 2022	**7,172**	23,018	**7,172**	23,018
Additions	**31,172**	21,593	**31,172**	21,593
Used	**(32,301)**	(37,439)	**(32,301)**	(37,439)
Balance at 30 June 2023	**6,043**	7,172	**6,043**	7,172
Long Service Leave				
Opening balance at 1 July 2022	**-**	18,758	**-**	18,758
Additions	**-**	2,509	**-**	2,509
Used	**-**	(21,267)	**-**	(21,267)
Balance at 30 June 2023	**-**	-	**-**	-
Total	**6,043**	7,172	**6,043**	7,172

Note 21 Lease liabilities

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
Current	**8,891**	8,301	**8,891**	8,301
Non current	**40,334**	49,225	**40,334**	49,225
	49,225	57,526	**49,225**	57,526

Refer to note 30 for further information on financial instruments.

Note 22 Borrowings

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
CURRENT				
Coral Coast Water	**-**	-	**1,748**	-
Total non-current borrowings	**-**	-	**1,748**	-
NON-CURRENT				
Pipeline Loan - GWAMCO	**3,042,706**	3,042,706	**3,042,706**	3,042,706
Total non-current borrowings	**3,042,706**	3,042,706	**3,042,706**	3,042,706
Total borrowings	**3,042,706**	3,042,706	**3,044,454**	3,042,706

The Pipeline Loan is secured by a fixed and floating charge over all the assets of the entity.

Refer to note 30 for further information on financial instruments.

Note 23 GFBI Funds Held in Trust

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
DPIRD Funding	**560,000**	560,000	**560,000**	560,000
Sand Spear Trial	**(30,519)**	(30,519)	**(30,519)**	(30,519)
GFBI Bore Development Stage 2 (early access)	**(520,351)**	(520,351)	**(520,351)**	(520,351)
DPIRD Funding - GISAM	**(9,130)**	-	**(9,130)**	-
	-	9,130	**-**	9,130

The Gascoyne Water Co-operative Limited and the Gascoyne Water Asset Mutual Co-operative Limited (collectively known as Gascoyne Water) have entered into a collaborative funding agreement (the Agreement) with the State of Western Australia (the State) through its Department of Primary Industries and Regional Development (the Department) for:
1. Operation of Gascoyne Food Bowl Initiative (GFBI) Borefield;
2. Governance and Operational Improvement; and
3. Financial Advice.
For the Period 1 January 2018 to 30 June 2026.

The transferring of ownership or long term leasing of Department GFBI irrigation assets to, or by Gascoyne Water is still subject to future policy decisions by Government and further negotiation between the Department and Gascoyne Water.

The GFBI irrigation infrastructure remains the property of the State during the term of, and at the end of the Agreement.

If at any time during the course of the Agreement (or extensions) and for any reason by either party, the Agreement is terminated, then any unspent or uncommitted funds owed by either party shall be repaid to the other party.

The remaining balance from 2022 of $9,130 has been applied to the Gascoyne Irrigation System Augmentation and Modernisation Project (GISAM) in the 2023 year in accordance with permission from DPRID.

Refer to Note 29 for further details.

Note 24 Issued Capital

	Consolidated Group		Parent Entity	
	2023	2022	2023	2022
	$	$	$	$
A class shares	**83,000**	82,000	**83,500**	82,500
C class shares	**9,152**	9,152	**9,502**	9,502
	92,152	91,152	**93,002**	92,002

Movements in 'A class' share capital - consolidated group

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2021	82,500		82,500
Issue of Shares		4,000	$1	4,000
Shares brought-back		(4,500)	$1	(4,500)
Balance	30 June 2022	82,000		82,000
Issue of Shares		**4,500**	**$1**	**4,500**
Shares brought-back		**(3,500)**	**$1**	**(3,500)**
Balance	**30 June 2023**	**83,000**		**83,000**

Movements in 'C class' share capital - consolidated group

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2021	9,160		9,182
Issue of Shares		-	$1	-
Shares brought-back		(30)	$1	(30)
Balance	30 June 2022	9,130		9,152
Issue of Shares		**-**	**$1**	**-**
Shares brought-back		**-**	**$1**	**-**
Balance	**30 June 2023**	**9,130**		**9,152**

Note 24 Issued Capital (Cont)

Movements in 'A class' share capital - parent entity

Details	Date	Shares	Issue Price	$
Balance	1 July 2021	83,000		83,000
Issue of Shares		4,000	$1	4,000
Shares brought-back		(4,500)	$1	(4,500)
Balance	30 June 2022	82,500		82,500
Issue of Shares		**4,500**	**$1**	**4,500**
Shares brought-back		**(3,500)**	**$1**	**(3,500)**
Balance	**30 June 2023**	**83,500**		**83,500**

Movements in 'C class' share capital - parent entity

Details	Date	Shares	Issue Price	$
Balance	1 July 2021	9,510		9,532
Issue of Shares		-	$1	-
Shares brought-back		(30)	$1	(30)
Balance	30 June 2022	9,480		9,502
Issue of Shares		**-**	**$1**	**-**
Shares brought-back		**-**	**$1**	**-**
Balance	**30 June 2023**	**9,480**		**9,502**

(a) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.
The group’s debt and capital include ordinary share capital and financial liabilities, supported by financial assets.
There are no externally imposed capital requirements.
Management effectively manages the group’s capital by assessing the group’s financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		Consolidated Group		Parent Entity	
		2023	2022	2023	2022
	Note	$	$	$	$
Total borrowings	22	**3,042,706**	3,042,706	**3,044,454**	3,042,706
Trade and other payables	18	**758,505**	1,054,652	**751,888**	1,053,071
Less cash and cash equivalents	7	**(4,315,368)**	(4,285,130)	**(3,770,746)**	(4,092,868)
Less financial assets at amortised cost - term deposits	12	**(153,668)**	(228,584)	**(153,668)**	(228,584)
Net debt		**(667,825)**	(416,356)	**(128,072)**	(225,675)
Total equity		**1,385,393**	1,801,153	**922,921**	1,585,917
Total capital		**717,568**	1,384,797	**794,849**	1,360,242

Note 25 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2023	2022
	$	$
Short-term employee benefits	**328,295**	352,563
Other long-term benefits	**4,851**	6,082
Post-employment benefits	**32,853**	33,654
	365,999	392,299

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP.

Other long-term benefits

These amounts include annual leave and long service leave that is not payable wholly within twelve months after the end of the period.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Co-operatives superannuation contributions made during the year.

Other KMP Transactions

Refer to Note 26 for further detail of other related KMP transactions

Note 26 Related Party Transactions

The Group's main related parties are as follows:

Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 24: Key Management Personnel Remuneration.

Entities Subject to significant influence by the Co-operative

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2023

Note 26 Related Party Transactions (Cont)

	Coral Coast Water		Gascoyne Water	
	2023	2022	2023	2022
	$	$	$	$
Associated companies/individuals:				
Sale of goods and services	**704**	2,421	**118,611**	128,268
Sale of goods and services- Coral Coast Water	**-**	-	**278,957**	274,678
Sale of goods and services - Gascoyne Water Asset Mutual	**1,212**	2,306	**457,844**	410,483
Purchase of goods and services	-	-	**300,547**	236
Purchase of goods and services - Gascoyne Water Asset Mutual	**(18,362)**	(18,362)	**(12,000)**	(12,000)
Purchase of goods and services - Gascoyne Water	**(278,957)**	(274,678)	**-**	-
Dividend Paid - Coral Coast Water	**-**	(250,000)	**-**	-
Dividend received - Gascoyne Water	**-**	-	**-**	250,000
Loan Payment - Gascoyne Water Asset Mutual	-	-	-	-
	(295,403)	(538,313)	**1,143,959**	1,051,665
Amounts outstanding from related parties:				
Trade and other receivables	**-**	64	**1,037**	1,043
Trade and other receivables - Coral Coast Water	-	-	**-**	1,029
Trade and other receivables - Gascoyne Water Asset Mutual	**-**	575	**61,152**	53,447
	-	639	**62,189**	**55,519**
Amounts payable to related parties:				
Trade and other payables	**-**	-	**3,015**	-
Trade and other payables- Gascoyne Water Asset Mutual	-	-	**2,200**	1,100
Trade and other payables- Gascoyne Water	**-**	1,029	-	-
Loans from associated entities - Gascoyne Water Asset Mutual	-	-	**3,042,706**	3,042,706
	-	**1,029**	3,047,921	**3,043,806**
Shares held				
Gascoyne Water Co-operative Limited shares held by Coral Coast Water Pty Ltd - A Class	**-**	-	**500**	500
Gascoyne Water Co-operative Limited shares held by Coral Coast Water Pty Ltd - C Class	**-**	-	**350**	350
Coral Coast Water Pty Ltd held by Gascoyne Water Co-operative Limited	**1**	1	**-**	-
Gascoyne Water Asset Mutual Co-operative Limited held by Coral Coast Water Pty Ltd	**110**	110	**-**	-
Gascoyne Water Asset Mutual Co-operative Limited held by Gascoyne Water Co-operative Limited - A Class	**-**	-	**240**	240

Note 27 Cash Flow Information

	Consolidated Group		Parent Entity	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
(a) Reconciliation of cash flows from operating activities with				
Profit / (loss) after income tax	**(422,691)**	(289,075)	**(669,927)**	(172,475)
Non-cash flows in profit				
- depreciation and amortisation	**7,246**	41,240	**7,246**	41,240
- bad and doubtful debts	**(1,060)**	(22,405)	**(1,060)**	(22,405)
- (profit)/loss on disposal of assets	**-**	(6,060)	**-**	(6,060)
- interest on lease liabilities	**3,699**	4,249	**3,699**	4,249
- Managed Investment income and expenses	**(1,405)**	-	**(1,405)**	-
- GFBI Fund Income	**(9,130)**	-	**(9,130)**	-
- impairment expense	**1,536,921**	1,410,141	**1,536,921**	1,410,141
- dividends received	**-**	-	**-**	(250,000)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
- (increase)/decrease in trade and other debtors	**(42,825)**	(61,338)	**(77,807)**	(54,080)
- (increase)/decrease in other assets	**754,617**	(926,829)	**687,764**	(926,829)
- (increase)/decrease in inventories	**(94,878)**	(1,649)	**(94,878)**	(1,649)
- (increase)/decrease in deferred tax asset	**109,863**	124,388	**109,863**	124,388
- increase/(decrease) in trade and other payables	**(296,146)**	14,539	**(301,183)**	16,037
- increase/(decrease) in contract liabilities	**267,407**	52,294	**267,407**	52,294
- increase/(decrease) in deferred taxes payable	**-**	(214,967)	**-**	(214,967)
- increase/(decrease) in provisions	**(1,129)**	(34,604)	**(1,129)**	(34,604)
Net cash provided by operating activities	**1,810,489**	89,924	**1,456,381**	(34,720)

Note 28 Contingent Liabilities

Under GWC's Rules, it must, to the extent permitted by law, indemnify its officers, including directors, secretaries and executives, and agents against liabilities which they may incur in the execution of their offices or by reason of any contract, act, deed, matter, or thing involving them on behalf of, or bona fide in the interests of, or with a view to benefiting GWC.

GWC has also executed deeds of indemnity in favour of past and present directors, secretaries and executives under which GWC must, to the extent permitted by law, indemnify those persons against liabilities incurred as a officers of GWC to the extent that those persons are not otherwise indemnified. The indemnity extends to legal costs incurred by those persons in responding to any investigations conducted by bodies with statutory powers to investigate and in defending actions for a loss or liability incurred as an officer of GWC.

There were no known contingent liabilities at 30 June 2023 in relation to the above indemnities.

Note 29 Events After the Reporting Period

Gascoyne Foodbowl Initiative (GFBI)
The Gascoyne Water Co-Operative Limited (GWC) signed a Heads of Agreement on 22 January 2021 with the Department of Primary Industries and Regional Development (DPRID). The agreement relates to the operation, maintenance and future transfer of Gascoyne Foodbowl Initiative (GFBI) assets to GWC ownership.

This Heads of Agreement requires the 2017 Collaboration Grant Funding Agreement between GWC and DPRID to continue. The provision of an instrument is required to grant legal access to the GFBI lands as required for the Department of Water and Environmental Regulation (DWER) groundwater licensing requirements to maintain Gascoyne Water Asset Mutual Co-Operative Ltd's Water Licences.
DPIRD have completed the land release process and announced the successful developers for the respective parcels of land.

Gascoyne Irrigation System Augmentation and Modernisation Project (GISAM)
In June 2021 GWC successfully applied to the National Water Gateway Authority (NWGA) for co-funding grants for a number of projects under the headline project of the Gascoyne Irrigation System Augmentation and Modernisation Project (GISAM). On 22 January 2022 a Funding Assistance Agreement (FAA) was executed between GWC and DPIRD. DPIRD are the responsible state government agency for handling grant monies and reporting to the NWGA on the project outcomes. In total, $2.4m of funding will be granted.

Output 1 of the GISAM project is the equipping and commissioning of the GFBI borefield. Construction of the GISAM project began in September 2023. The deadline of 31 December 2023 was delayed due to issues with materials. GWC may commence legal proceedings in order to recover payments for defective work. The amount potentially recoverable is substantial with reasonable prospects of success based on the current information available.

Defamation action
Defamation action between a former service provider v GWC and a previous Office Holder commenced in 2021. While the case continues against the Office Holder, GWC are no longer a party as an agreement was reached with the former service provider who has withdrawn the claim against GWC.

Internal Audit
An independent internal audit has commenced engaging the services of William Buck. The audit will review governance, procurement and administration matters and make recommendations for improvement. Mr Duy Vo of William Buck will provide an update to members at the AGM.

Single Entity
A feasibility study is being undertaken to explore the possibility of GWC and GWAMCO becoming a single entity.

Directors and Officers Insurance
GWC is actively seeking Directors and Officers Insurance.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the group's operations the results of those operations, or the group's state of affairs in future financial years.

Note 30 Financial Instruments

Financial risk management objectives

The group’s activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior management ('management') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Management identifies, evaluates and hedges financial risks within the group's operating units. Management reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The group is not exposed to any foreign currency risk.

Price risk

The group is not exposed to any significant price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

The group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the group based on recent sales experience, historical collection rates and forward-looking information that is available.

The group has a credit risk exposure with one receivable which as at 30 June 2023 owed the group $5,714 (2% of trade receivables) (2022 owed the group $31,060 (14% of trade receivables)). This receivable is outside their terms of trade and an impairment was made as at 30 June 2023 (2022: these receivables were outside of their terms of trade and an impairment was made as at 30 June 2022). There are no guarantees against this receivable but management closely monitors the receivables balance on a monthly basis and is in regular contact with these receivables to mitigate risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Note 30 Financial Instrument (Cont)

Liquidity risk

Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

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

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2023	**2022**
	$	**$**
Bank overdraft	**-**	-
Bank loans	**-**	-
	-	-

Remaining contractual maturities

The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	**Weighted average interest rate**	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
	%	**$**	**$**	**$**	**$**	**$**
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,054,652	-	-	-	1,054,652
Loan - GWAMCO (Pipeline)	-	-	-	-	3,042,706	3,042,706
Interest bearing - fixed rate						
Lease liability	7.1%	12,000	12,000	36,000	9,960	69,960
Total non-derivatives		1,066,652	12,000	36,000	3,052,666	4,167,318

Consolidated - 2023	**Weighted average interest rate**	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
	%	**$**	**$**	**$**	**$**	**$**
Non-derivatives						
Non-interest bearing						
Trade payables	**-**	**758,505**	**-**	**-**	**-**	**758,505**
Loan - GWAMCO (Pipeline)	**-**	**-**		**-**	**3,042,706**	**3,042,706**
Interest bearing - fixed rate			**-**			
Lease liability	**7.1%**	**12,000**	**12,000**	**33,960**	**-**	**57,960**
Total non-derivatives		**770,505**	**12,000**	**33,960**	**3,042,706**	**3,859,171**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 31 Capital Commitments

	Consolidated	
	2023	**2022**
	$	**$**
Contracted for:		
- capital expenditure projects	**97,673**	148,452
	97,673	148,452
Payable:		
- not later than one year	**97,673**	148,452

Gascoyne Water Co-operative Limited and Controlled Entities

Directors' Declaration

For the year ended 30 June 2023

In accordance with a resolution of the directors of GASCOYNE WATER CO-OPERATIVE LIMITED AND CONTROLLED ENTITIES, the directors of the company declare that:

1. The financial statements and notes for the year ended 30 June 2023 are in accordance with the *Co-operatives Act 2009* and:

   (a) comply with Australian Accounting Standards;

   (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company.

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

Director

Domenico Condo	**Denis Durmanich**
Dated this 22 Day of February 2024	Dated this 22 Day of February 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GASCOYNE WATER CO-OPERATIVE LIMITED AND CONTROLLED ENTITIES

Qualified Opinion

We have audited the financial report of Gascoyne Water Co-operative Limited and Controlled Entities (the co-operative), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the director's declaration.

In our opinion except for the effects of the matters described in "Basis for Qualified Opinion" section of our report, the accompanying financial report of the co-operative is in accordance with the *Co-operatives Act 2009,* including:

a) giving a true and fair view of the financial position of the co-operative as at 30 June 2023, and of its financial performance and cash flows for the year then ended; and
b) complying with Australian Accounting Standards and the *Co-operatives Regulations 2010.*

Basis for Qualified Opinion

Inventory Qualification

As a physical count of inventory was not completed at 30 June 2023, we were not able to obtain sufficient, appropriate audit evidence regarding inventory quantities held at 30 June 2023 recorded in the Statement of Financial Position at $191,470. Accordingly, we do not express an opinion on the $191,470 balance of inventory recorded at 30 June 2023.

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 co-operative in accordance with the ethical requirements of the *Co-operatives Act 2009* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 independent declaration required by the *Co-operatives Act 2009*, which has been given to the directors of the co-operative, would be 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the co-operative's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our qualified opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Co-operatives Act 2009* 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 co-operative to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the co-operative 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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AMD Chartered Accountants

TIM PARTRIDGE
Director

Level 1-53 Victoria Street, Bunbury, Western Australia

Dated this 29th day of February 2024

AUDITOR’S INDEPENDENCE DECLARATION
UNDER THE CO-OPERATIVES ACT 2009

TO THE DIRECTORS OF GASCOYNE WATER CO-OPERATIVE LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and beliefs, during the year ended 30 June 2023 there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Co-operatives Act 2009* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants

TIM PARTRIDGE
Director

Bunbury, Western Australia Dated this 16th day of February 2024