



ANNUAL REPORT

GASCOYNE WATER ASSET MUTUAL
CO-OPERATIVE LTD

FOR THE PERIOD ENDING
30 JUNE 2024

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1. GWAMCO

Gascoyne Water Asset Mutual Co-operative Ltd (GWAMCO) is a regionally based, independently funded co-operative, established to hold and manage critical irrigation infrastructure on behalf of its members. Governed by local stakeholders, GWAMCO operates with a clear mandate to support the ongoing sustainability and efficiency of water delivery infrastructure within the Carnarvon Irrigation District.

As its name suggests, GWAMCO functions as an asset custodian, owning and overseeing a portfolio of essential water infrastructure. The principal physical assets include the Northern Borefield (NBF) collector main system, which incorporates multiple operational components such as production bores, headworks infrastructure, and pump systems. These assets play a vital role in ensuring the reliable extraction and delivery of groundwater from the Gascoyne River aquifer to local irrigators.

GWAMCO holds groundwater abstraction licences issued by the Department of Water and Environmental Regulation (DWER), authorising the co-operative to draw up to approximately 7.1 gigalitres (GL) of groundwater annually. These allocations are sourced from both the Northern Borefield and the Gascoyne Food Bowl Initiative Borefield and form the foundation of water security for scheme users across the district.

In addition to its borefield infrastructure, GWAMCO owns strategically located landholdings and buildings that are integral to the region's water service operations. These assets include administrative offices, mechanical workshops, and accommodation, which are utilised by Gascoyne Water Co-operative Ltd (GWC) to support day-to-day operations. The facilities also provide value through the leasing of commercial space to a local Rural Services retail operator, supporting broader agricultural activity within the region.

Operational management of GWAMCO's infrastructure and compliance obligations is delivered through a formal Services Agreement with Gascoyne Water Co-operative Ltd (GWC). Under this agreement, GWC is responsible for operating and maintaining GWAMCO-owned assets in accordance with DWER licence conditions. This includes the abstraction of groundwater from the Gascoyne River aquifer and distribution to irrigators via the Gascoyne Water Distribution Line.

The Services Agreement also extends to administrative support, with GWC providing essential secretarial and compliance services to assist GWAMCO in meeting its regulatory, financial, and governance obligations. This collaborative arrangement ensures the continued integrity of the scheme's infrastructure and supports consistent service delivery for members.

2. CHAIR'S REPORT

Dear Members,

It is my pleasure to present my first Annual Report as Chair of Gascoyne Water Asset Mutual Co-operative.

The 2024 reporting period has seen GWAMCO continue in its role as asset custodian, overseeing a portfolio that includes critical borefield infrastructure, licensed groundwater entitlements, and strategic landholdings. The co-operative's responsibilities remain focused on ensuring these assets are maintained to a standard that supports ongoing irrigation operations for members and contributes to long-term regional water security.

Infrastructure upgrades delivered through the Gascoyne Irrigation Scheme Asset Management (GISAM) project have provided tangible outcomes. These works have improved operational efficiency and reliability across the Northern Borefield system and these upgrades ensure core infrastructure remains serviceable under variable climate and demand conditions.

Further improvements to internal systems have commenced, including the implementation of a Quality Management System (QMS). This system is intended to streamline documentation, enhance process control, and improve traceability across GWAMCO's functions. The adoption of a QMS will also better position the organisation to meet future audit and regulatory expectations.

The amalgamation review is currently underway assessing the possible merge of GWAMCO and GWC and information will be relayed to Members as it comes to hand.

The Board remains focused on its role in governance, risk oversight, and the protection of member interests. Regular reporting and access to independent financial and technical advice continues to inform decision-making. Directors maintain an active involvement in assessing both operational matters and long-term asset management.

As we move into the next financial year, GWAMCO's priorities will remain grounded in practical asset management, regulatory compliance, and continued collaboration with key stakeholders.

Paul Shain

Chair

Gascoyne Water Asset Mutual Co-operative Ltd

3. BOARD OF DIRECTORS AT 30 JUNE 2024

Domenico Condo (Member Director)

Mr. Domenico Condo boasts an impressive history of leadership within the GWAMCO organisation, horticulture industry, and the local community.

Mr. Condo's involvement traces back to the Steering Committee that led to the incorporation of GWAMCO 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.

Anthony Vrankovich (Member Director)

Mr. Anthony Vrankovich is a second-generation farmer with an extensive background in the Carnarvon Horticultural District. His expertise in cultivating crops such as grapes, watermelon, and pumpkin reflect not only a deep understanding of horticulture but also a commitment to sustainable and diverse farming practices.

He was an integral part of the Carnarvon Irrigation Steering Committee and played a vital role in shaping the region's irrigation landscape. His commitment to the community is exemplified by his role as a Director of GWAMCO since 2021, where he actively contributes to the co-operative's mission of serving its members. Mr. Vrankovich's dedication to the local community is further evident through his nine-year service on the Carnarvon Growers Association Committee.

As a Founding Member and Director/Owner of Gascoyne Gold Pty Ltd for over two decades, Mr. Vrankovich has demonstrated remarkable leadership and business acumen. Beyond his professional achievements, Mr. Vrankovich is known for championing community issues. His active involvement in various committees and boards underscores his passion for fostering a thriving and collaborative community. With a track record marked by both longevity and impact, Mr. Anthony Vrankovich stands as a respected figure in Carnarvon's horticultural landscape, embodying excellence in leadership, agriculture, and community advocacy.

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 Asset Mutual Co-Operative. 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.

4. GOVERNANCE & DIRECTORS' REPORT

Board Composition

In accordance with Rule 47.1 of the Gascoyne Water Asset Mutual Co-operative Ltd (GWAMCO) Rules, the Board must comprise a minimum of three (3) and a maximum of five (5) Member Directors. Rule 47.2 permits the appointment of up to four (4) Non-Member Directors; however, none have been appointed to date. As at 30 June 2024, the Board comprised three (3) Member Directors, consistent with historical practice and in compliance with the Rules.

Governance Framework

The Board is responsible for overseeing the governance, compliance, and strategic direction of the co-operative. Directors act in accordance with GWAMCO's Rules, applicable legislation, and the Directors' Code of Conduct. The governance framework is designed to ensure robust decision-making, accountability, and the protection of member interests.

Board responsibilities include:

- Defining and guiding the strategic direction of the co-operative
- Monitoring financial, operational, and regulatory performance
- Ensuring compliance with DWER water licence conditions and other legal obligations
- Overseeing risk management frameworks and internal controls
- Approving policies and setting governance standards
- Upholding ethical conduct and promoting a culture of safety and accountability
- Engaging with members through transparent communication
- Access to Information and Independent Advice

Directors receive regular financial and operational reporting from the co-operative’s accountant and external auditors. They also have unrestricted access to company records and may seek independent professional advice, where necessary, with prior approval from the Chair.

Board Meetings

The Board held ten (10) ordinary meetings during the 2023–2024 financial year. Meetings were structured to ensure appropriate attention to strategic, operational, and compliance matters. Agendas were developed collaboratively by the Chair, the Co-operative Secretary, and the Chief Executive Officer.

Director attendance during the period is shown below:

Director Name	No. of Meetings	Meetings Attended	Directorship Period
Rodney Sweetman	1	1	01.07.2023 – 31.08.2023
Domenico Condo	10	10	01.07.2023 – 30.06.2024
Anthony Vrankovich	10	10	01.07.2023 – 30.06.2024
Denis Durmanich	7	7	22.11.2023 – 30.06.2024

Directors’ and Officers’ Insurance

In 2024, GWAMCO secured Directors and Officers Liability Insurance, providing coverage to protect Board members and senior officers from liabilities incurred in the course of carrying out their duties in good faith. This coverage remains in place and is reviewed annually as part of the co-operative’s broader risk management framework.

Committees of the Board

No formal committees of the Board were established during the reporting period. All matters relating to governance, strategy, compliance, and operations were considered collectively by the full Board.

Directors’ Benefits
Except for the remuneration outlined below and Note 15, 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 2024 are detailed below. The GWAMCO Share Register is officially maintained at the GWAMCO office, as mandated by Section 230(1)(a) of the *Co-operatives Act 2009 (WA)*.

<u>Director Name</u>	<u>A-Class Shares</u>
Mr. Domenico Condo	45
Mr. Anthony Vrankovich	48
Mr. Denis Durmanich	34

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:

<u>Position</u>	<u>Prior to 2022 AGM</u>	<u>Post 2022 AGM</u>
Chair	\$3,000	\$15,000
Member Director	\$6,000	\$10,000

The below table shows the Director fees paid to the person who filled each Director position in the 2023-2024 financial year. Note that some Directors occupied different positions and the dates for each position as well as the fees paid are listed:

<u>Director Name</u>	<u>Position</u>	<u>Directorship Period</u>	<u>Fees Paid</u>
Mr. Rodney Sweetman	Chair	01.07.2023 – 31.08.2024	\$ 2,262.50
Mr. Domenico Condo	Chair	01.09.2023 – 30.06.2024	\$ 12,500.00
	Member director	01.07.2023 – 30.06.2024	\$ 10,000.00
Mr. Anthony Vrankovich	Member Director	01.07.2023 – 30.06.2024	\$ 10,000.00
Mr. Denis Durmanich	Member Director	22.11.2023 – 30.07.2024	\$ 8,333.33

Disputes Panel

In adherence to Rule 85.1, the Disputes Panel appointed at the 2023 Annual General Meeting comprised of 7 members.

This panel includes 2 Directors and 3 members who are not Directors. The 5 members appointed to the panel at the 2023 AGM are - Glenn Skender, Wayne Rowe, Kevin Sullivan, Denis Durmanich and Tony Vrankovich.

Company Secretary

The position of Company Secretary was filled by one qualified person during the reporting period.

<u>Company Secretary</u>	<u>Period</u>
Mr. Dennis Wade	01.07.2023 – 13.03.2024
Ashleigh Barr	14.05.2024 – 30.06.2024
Brenda Van Rensburg	13.03.2024 – 14.05.2024

Proceedings

As of 30 June 2024, GWAMCO is not a party to any legal proceedings.

5. FINANCE REPORT

Gascoyne Water Asset Mutual Co-Operative Ltd 2024 Annual Report

The 2024 Financial Statements are impacted by the revaluation of land and buildings. The following table outlines the net profit / (loss) adjusted for the revaluation in comparison to the 2023 and 2022 years:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Profit /(Loss) Before Income Tax	364,746	215,320	548,709
Less: reversal of accrued transfer duty liability	-	-	(367,523)
Less: reversal of prior year losses on revaluation of land & buildings	(81,201)	-	-
Adjusted Net Profit / (Loss) Before Income Tax	283,545	215,320	181,186

Notable movements in profit and loss items compared to 2023 include:

1. Increased interest received of \$138,658.
2. Increased GWC service agreement expense of \$79,862

Notable statement of financial position movements include:

1. A decrease in cash and cash equivalents and financial assets at fair value through profit or loss of \$2,062,837
2. An increase in non-current trade and other receivables of \$2,500,000. This represents funds loaned to GWC for the GISAM project. This accounts for the decrease in cash and cash equivalents and financial assets.

3. An increase in property, plant and equipment of \$69,846. This can be attributed to the revaluation of land and buildings in the 2024 year, offset by depreciation.
4. An increase in current trade and other receivables of \$97,474.
5. An increase in trade and other payables of \$116,713. This is mostly related to the timing of payments to GWC for the service agreement.

Auditor

The Audited Financial Reports form an essential part of this Annual Report. A presentation will be provided by Chassey Davids of Australian Audit Pty Ltd, who has been appointed as GWAMCO's external auditor.

Member participation in this presentation is encouraged, as it will support a clearer understanding of GWAMCO's financial position and performance. This understanding is vital to enable Members to make informed decisions regarding the affairs of the co-operative.

Members are also encouraged to carefully review the Annual Financial Report and direct any questions or queries to the auditor. The auditor is appointed to serve Members and operates independently of the Board and Management, providing an objective opinion that upholds transparency and accountability.

Dividends, Distributions, Options and New Shares

During the year, Gascoyne Water Asset Mutual Co-operative (GWAMCO) did not distribute any dividends to its members. As a non-listed company, GWAMCO 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.

6. ANNUAL FINANCIAL STATEMENTS

Gascoyne Water Asset Mutual Co-Operative Limited

ABN: 90 622 624 010

**Financial Report
30 June 2024**

Gascoyne Water Asset Mutual Co-operative Limited
Contents
For the Year Ended 30 June 2024

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Gascoyne Water Asset Mutual Co-operative Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

		2024	2023
	Note	\$	\$
Sales revenue	3	1,127,299	969,307
Employee benefits expense	16	(49,786)	(37,525)
Depreciation expense	11	(164,352)	(161,524)
Service agreement		(537,706)	(457,844)
Insurance		(47,995)	(45,498)
Administration expense		(43,915)	(51,596)
Reversal of prior year losses on revaluation of land and buildings	11	81,201	-
Profit before income tax		384,746	215,320
Tax expense	5	(48,727)	(13,710)
Profit for the year		316,019	201,610
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of buildings	11	151,929	-
Total comprehensive income for the year		467,948	201,610

The accompanying notes form part of these financial statements.

Gascoyne Water Asset Mutual Co-operative Limited
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	4,158,983	1,139,975
Trade and other receivables	8	156,467	58,993
Financial assets at fair value through profit or loss	9	-	5,081,845
Other current assets	10	56,017	34,490
Current tax assets	13	-	2,265
TOTAL CURRENT ASSETS		<u>4,371,487</u>	<u>6,317,568</u>
NON-CURRENT ASSETS			
Trade and other receivables	8	5,542,706	3,042,706
Property, plant and equipment	11	1,870,891	1,801,045
TOTAL NON-CURRENT ASSETS		<u>7,413,597</u>	<u>4,843,751</u>
TOTAL ASSETS		<u>11,785,084</u>	<u>11,161,319</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	222,460	105,747
Current tax liabilities	13	29,726	-
TOTAL CURRENT LIABILITIES		<u>252,186</u>	<u>105,747</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	8,982	2,007
TOTAL NON-CURRENT LIABILITIES		<u>8,982</u>	<u>2,007</u>
TOTAL LIABILITIES		<u>261,168</u>	<u>107,754</u>
NET ASSETS		<u>11,523,896</u>	<u>11,053,565</u>
EQUITY			
Issued capital	14	33,565	31,182
Revaluation surplus reserve	15	151,929	-
Retained earnings		11,338,402	11,022,383
TOTAL EQUITY		<u>11,523,896</u>	<u>11,053,565</u>

The accompanying notes form part of these financial statements.

Gascoyne Water Asset Mutual Co-operative Limited
Statement of changes in equity
For the year ended 30 June 2024

	Note	Ordinary Share Capital	Retained Earnings (accumulated losses)	Revaluation surplus reserve	Total
		\$	\$		\$
Balance at 1 July 2022		30,256	10,820,773	-	10,851,029
Profit for the year		-	201,610	-	201,610
Shares issued during the year	14	4,500	-	-	4,500
Shares brought-back during the year	14	(3,574)	-	-	(3,574)
Balance at 30 June 2023		<u>31,182</u>	<u>11,022,383</u>	-	<u>11,053,565</u>
Balance at 1 July 2023		<u>31,182</u>	<u>11,022,383</u>	-	<u>11,053,565</u>
Profit for the year		-	316,019	-	316,019
Shares issued during the year	14	3,000	-	-	3,000
Shares brought-back during the year	14	(617)	-	-	(617)
Gain on revaluation	15	-	-	161,929	161,929
Balance at 30 June 2024		<u><u>33,565</u></u>	<u><u>11,338,402</u></u>	<u><u>161,929</u></u>	<u><u>11,623,896</u></u>

The accompanying notes form part of these financial statements.

Gascoyne Water Asset Mutual Co-operative Limited
Statement of cash flows
For the year ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	912,470	782,537
Payments to suppliers and employees	(583,723)	(594,012)
Income tax received	1,129	12,456
Interest paid	-	-
Interest received	-	-
Rent received	3 105,973	94,778
Net cash provided by operating activities	18 <u>435,849</u>	<u>295,759</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,069)	(55,642)
Net cash provided by/(used in) investing activities	<u>(1,069)</u>	<u>(55,642)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	3,000	4,500
Shares brought-back during the year	(617)	(3,574)
Loans to related parties	(2,500,000)	-
Proceeds from financial assets at amortised cost	5,081,845	-
Payments for financial assets at fair value through profit or loss	-	(5,000,000)
Net cash provided by/(used in) financing activities	<u>2,584,228</u>	<u>(4,999,074)</u>
Net Increase/(decrease) in cash held	<u>3,019,008</u>	<u>(4,758,957)</u>
Cash at beginning of financial year	<u>1,139,975</u>	<u>5,898,932</u>
Cash at end of financial year	7 <u><u>4,158,983</u></u>	<u><u>1,139,975</u></u>

The accompanying notes form part of these financial statements.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2024

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 28 March 2025.

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:

Gascoyne Water Asset Mutual Co-operative Limited
Notes to the financial statements
For the year ended 30 June 2024

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.

(b) 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 Company'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 Company'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.

(c) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: 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.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other revenue

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

(d) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset.

All other finance costs are expensed in the period in which they are incurred.

Gascoyne Water Asset Mutual Co-operative Limited
Notes to the financial statements
For the year ended 30 June 2024

(e) 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.

(f) 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 company 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 Company 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 Company, 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 using over the asset's useful life to the company 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.

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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.

(g) 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 company 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 company 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.

(h) 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 Company 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, its 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 Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company 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 Company'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.

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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.

(i) 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.

(j) Impairment of non-financial assets

At the end of each reporting period the company 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.

(k) 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.

(l) 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.

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The Company 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.

(m) 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.

(n) Provisions

Provisions are recognised when the company 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.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company 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.

(p) 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.

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(q) 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 company'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.

(r) New or Amended Accounting Standards and Interpretations Adopted

The company 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.

(s) 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 company for the annual reporting period ended 30 June 2024. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(t) 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 Company 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 Company 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

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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 company 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 company 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 company 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 company 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 company recognises liabilities for anticipated tax audit issues based on the company'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 company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

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For the year ended 30 June 2024

Note 3 Revenue and Other Income

	2024	2023
	\$	\$
Sales revenue		
- Receipts from members	791,644	783,505
Finance income		
- Interest received	229,682	91,024
Other income		
- Rental revenue from property investment	105,973	94,778
- Sundry revenue	-	-
	<u>1,127,299</u>	<u>969,307</u>

Note 4 Expenses

	2024	2023
	\$	\$
Expenses		
Accounting Fees		
- general accounting and tax	832	14,320
- additional one off services	-	2,360
Total accounting fees	<u>832</u>	<u>16,680</u>

Note 5 Income Tax Expense

(a) The major components of tax expense (Income) comprise:

	2024	2023
	\$	\$
Current tax expenses		
- Local income tax - current period	48,727	13,710
Income tax expense for continuing operations	<u>48,727</u>	<u>13,710</u>

(b) Reconciliation of income tax to accounting profit

	2024	2023
	\$	\$
Profit from ordinary activities	364,746	215,320
Applicable tax rate	30%	30%
Prima facie tax payable on ordinary activities	<u>109,424</u>	<u>64,596</u>
Add:		
Tax effect of		
- Non-deductible expenditure	130,476	137,941
	<u>239,900</u>	<u>202,537</u>
Less:		
Tax effect of		
- Non-taxable member income arising from principle of mutuality	(266,872)	(234,988)
- Timing differences	75,699	46,161
Income tax expense	<u>48,727</u>	<u>13,710</u>

Note 6 Auditor's Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor for:		
- Auditing or reviewing the financial statements	9,360	8,190
	<u>9,360</u>	<u>8,190</u>

Gascoyne Water Asset Mutual Co-operative Limited
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Note 7 Cash and Cash Equivalents

	2024	2023
	\$	\$
CURRENT		
Cash at bank and on hand	4,158,983	1,139,975
	<u>4,158,983</u>	<u>1,139,975</u>

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	<u>4,158,983</u>	<u>1,139,975</u>
---------------------------	------------------	------------------

The effective interest rate on short-term bank deposits was 4.30% (2023 3.17%).

Note 8 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Member's receivables	154,384	60,565
Provision for impairment	(4,820)	(2,962)
	<u>149,564</u>	<u>57,603</u>
Other receivables	6,903	1,390
Total current trade and other receivables	<u>156,467</u>	<u>58,993</u>
NON-CURRENT		
GWC Pipeline Loan	5,542,706	3,042,706
Total non-current trade and other receivables	<u>5,542,706</u>	<u>3,042,706</u>
Total Trade and Other Receivables	<u>5,699,173</u>	<u>3,101,699</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

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Note 8 Trade and Other Receivables (Cont)

(a) Allowance for expected credit losses

The company has recognised a loss of \$1,858 (2023: \$14,967 reversal) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

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

	Expected credit loss rate 2024	Carrying amount 2024	Allowance for expected credit losses 2024
	%	\$	\$
Not overdue	0.0%	1,100	-
0 to 3 months overdue	2.3%	41,946	954
Over 3 months overdue	3.5%	111,338	3,866
		<u>154,384</u>	<u>4,820</u>

	Expected credit loss rate 2023	Carrying amount 2023	Allowance for expected credit losses 2023
	%	\$	\$
Not overdue	0.0%	650	-
0 to 3 months overdue	4.1%	24,248	1,004
Over 3 months overdue	5.5%	35,667	1,958
		<u>60,565</u>	<u>2,962</u>

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

	2024	2023
	\$	\$
Opening balance	2,962	17,929
Receivables written off during the year as uncollectable	11,382	-
Unused amounts reversed	(9,524)	(14,967)
Closing balance	<u>4,820</u>	<u>2,962</u>

Note 9 Financial Assets at fair value through profit or loss

	2024	2023
	\$	\$
CURRENT		
Managed Investment - designated at fair value through profit or loss	-	5,081,845
	<u>-</u>	<u>5,081,845</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2024	2023
	\$	\$
Opening fair value	5,081,845	-
Additions / (Payments)	(5,193,726)	5,000,000
Interest earnings	119,162	86,063
Fees	(7,271)	(4,218)
Closing fair value	<u>-</u>	<u>5,081,845</u>

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Note 10 Other Assets

	2024	2023
	\$	\$
CURRENT		
Prepayments	33,925	33,188
Accrued Income	14,732	-
Accrued Interest	-	1,302
Goods and Services Tax	7,360	-
	<u>56,017</u>	<u>34,490</u>

Note 11 Property, Plant and Equipment

	2024	2023
	\$	\$
Land		
At fair value	450,000	400,000
Net carrying value	<u>450,000</u>	<u>400,000</u>
Buildings		
At fair value	750,000	630,642
Accumulated depreciation	-	(45,212)
Net carrying value	<u>750,000</u>	<u>585,430</u>
Total land and buildings	<u>1,200,000</u>	<u>985,430</u>
Plant and equipment		
At cost	2,737,880	2,737,880
Accumulated depreciation	(2,066,989)	(1,922,285)
Net carrying value	<u>670,891</u>	<u>815,615</u>
Total property, plant and equipment	<u>1,870,891</u>	<u>1,801,045</u>

(a) Movements in carrying amounts

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

	Note	Land	Buildings	Plant and Equipment	Total
		\$	\$	\$	\$
Balance at 1 July 2022		400,000	546,250	960,677	1,906,927
Additions		-	55,642	-	55,642
Depreciation expense		-	(16,462)	(145,062)	(161,524)
Carrying amount at 30 June 2023		<u>400,000</u>	<u>585,430</u>	<u>815,615</u>	<u>1,801,045</u>
Additions		-	1,068	-	1,068
Depreciation expense		-	(19,628)	(144,724)	(164,352)
Revaluation increments transferred to revaluation surplus	15	-	151,929	-	151,929
Revaluation (loss) / reversals transferred to profit or loss		50,000	31,201	-	81,201
Carrying amount at 30 June 2024		<u>450,000</u>	<u>750,000</u>	<u>670,891</u>	<u>1,870,891</u>

The Company's Land and Buildings at 30 June 2024 were revalued by Opteon Solutions, an independent, professional valuer on 22 July 2024. The valuation of Land increased by \$50,000 from \$400,000 to \$450,000. The valuation of Buildings increased by \$183,130 from \$566,870 to \$750,000 resulting in a total value of \$1,200,000.

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Note 12 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade and sundry payables	89,169	24,813
Other Payables	133,291	61,152
Goods and services tax	-	19,782
	<u>222,460</u>	<u>105,747</u>

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 13 Current and Deferred Tax Assets and Liabilities

	2024	2023
	\$	\$
CURRENT		
Income tax payable / (receivable)	29,726	(2,265)
Total	<u>29,726</u>	<u>(2,265)</u>

	Opening Balance	(Charged)/ Credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
	\$	\$	\$	\$	\$	\$
NON CURRENT						
Deferred tax liability						
Other	-	2,007	-	-	-	2,007
Balance as at 30 June 2023	-	2,007	-	-	-	2,007
Other	2,007	6,976	-	-	-	8,982
Balance as at 30 June 2024	<u>2,007</u>	<u>6,976</u>	-	-	-	<u>8,982</u>
Deferred tax assets						
Other	356	(356)	-	-	-	-
Balance as at 30 June 2023	<u>356</u>	<u>(356)</u>	-	-	-	-
Other	-	-	-	-	-	-
Balance as at 30 June 2024	<u>-</u>	<u>-</u>	-	-	-	<u>-</u>

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Note 14 Issued Capital

	2024	2023
	\$	\$
32,086 (2023: 31,160) fully paid ordinary shares	33,565	31,182
	<u>33,565</u>	<u>31,182</u>

Movements in ordinary share capital

Details	Date	Shares	Issue Price	\$
Balance	1 July 2022	30,234		30,256
Issue of Shares		4,500	\$1	4,500
Shares brought-back		(3,574)	\$1	(3,574)
Balance	30 June 2023	<u>31,160</u>		<u>31,182</u>
Issue of Shares		3,000	\$1	3,000
Shares brought-back		(617)	\$1	(617)
Balance	30 June 2024	<u>33,543</u>		<u>33,565</u>

a) Ordinary Shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company. On a show of hands at meetings of the company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The company does not have authorised capital or par value in respect of its shares.

b) Capital Management

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

The company'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 company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	2024	2023
		\$	\$
Trade and other payables	12	222,460	105,747
Less cash and cash equivalents	7	<u>(4,158,983)</u>	<u>(1,139,975)</u>
Net debt		<u>(3,936,523)</u>	<u>(1,034,228)</u>
Total equity		11,523,896	11,053,565
Total capital		<u>7,587,373</u>	<u>10,019,337</u>

Note 15 Equity Reserves

Revaluation surplus reserve - buildings

The reserve is used to recognise increments and decrements in the fair value of buildings.

Movements in the reserve during the current and previous financial year are set out below:

	Revaluation surplus - buildings
	\$
Balance at 1 July 2022	-
Revaluation - gross	-
Balance at 30 June 2023	-
Revaluation - gross	<u>151,929</u>
Balance at 30 June 2024	<u>151,929</u>

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Note 16 Key Management Personnel Remuneration

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

	2024	2023
	\$	\$
Short-term employee benefits	44,804	33,827
Post-employment benefits	5,182	3,698
	<u>49,786</u>	<u>37,525</u>

Short-term employee benefits

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

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 16 for further detail of other related KMP transactions

Note 17 Related Party Transactions

The Company'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 15: Key Management Personnel Remuneration.

Entities Subject to Significant Influence by the Cooperative :

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:

Transactions with related parties

	2024	2023
	\$	\$
Associated companies/Individuals:		
Sale of goods and services	42,899	31,108
Sale of goods and services - Gascoyne Water	12,000	12,000
Sale of goods and services - Coral Coast Water	18,382	18,382
Purchase of goods and services - Gascoyne Water	(537,706)	(457,844)
Purchase of goods and services - Coral Coast Water	(1,820)	(1,212)
Loan to Gascoyne Water	(2,500,000)	-
	<u>(2,986,284)</u>	<u>(397,588)</u>
Amounts outstanding from related parties:		
Trade and other receivables	23,381	-
Trade and other receivables - Gascoyne Water	1,100	2,200
Loans to associated entities - Gascoyne Water	5,542,706	3,042,706
	<u>5,567,187</u>	<u>3,044,906</u>
Amounts payable to related parties:		
Trade and other payables- Gascoyne Water	126,599	61,152
Trade and other payables- Coral Coast Water	-	(2)
	<u>126,599</u>	<u>61,150</u>
Shares held		
Gascoyne Water Asset Mutual Cooperative Limited shares held by Coral Coast Water Pty Ltd	110	110
Gascoyne Water Asset Mutual Cooperative Limited shares held by Gascoyne Water Cooperative Limited	240	240

Gascoyne Water Asset Mutual Co-operative Limited
Notes to the financial statements
For the year ended 30 June 2024

Note 18 Cash Flow Information

	2024	2023
	\$	\$
a) Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	316,019	201,610
Non-cash flows in profit		
- Depreciation	164,352	161,524
- Bad and doubtful debts	11,382	(14,967)
- Managed investment income and expenses	-	(81,845)
- Revaluation of property, plant and equipment	(81,201)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase) in trade and other receivables	(108,855)	(5,929)
- (Increase) in other assets	(21,527)	(6,502)
- (Increase) in current tax assets	2,266	23,803
- (Increase) / decrease in deferred tax asset	-	356
- Increase in trade and other payables	116,713	15,702
- Increase / (decrease) in current tax liabilities	29,728	-
- Increase in deferred tax liability	6,975	2,007
Net cash provided by operating activities	<u>435,849</u>	<u>295,759</u>

Note 19 Contingent Liabilities

There were no known contingent liabilities at 30 June 2024.

Note 20 Events After the Reporting Period

Single Entity

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

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Gascoyne Water Asset Mutual Co-operative Limited
Notes to the financial statements
For the year ended 30 June 2024

Note 21 Financial Instruments

Financial risk management objectives

The company'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 company'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 company. The company 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 company 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 company and appropriate procedures, controls and risk limits. Management identifies, evaluates and hedges financial risks within the company's operating units. Management reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The company is not exposed to any foreign currency risk.

Price risk

The company 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 company. The company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company 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 company does not hold any collateral.

The company 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 company based on recent sales experience, historical collection rates and forward-looking information that is available.

The company has a credit risk exposure with one receivable which as at 30 June 2024 owed the company \$4,820 (3% of trade receivables) (2023: one receivables \$2,962 (5% of trade receivables)). This receivable is outside their terms of trade and an impairment was made as at 30 June 2024 (2023: this receivable was outside of their terms of trade and an impairment was made as at 30 June 2023). There are no guarantees against these receivables 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.

Gascoyne Water Asset Mutual Co-operative Limited
Notes to the financial statements
For the year ended 30 June 2024

Note 21 Financial Instrument (Cont)

Liquidity risk

Vigilant liquidity risk management requires the company 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 company 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:

	2024 \$	2023 \$
Bank overdraft	-	-
Bank loans	-	-
	<u>-</u>	<u>-</u>

Remaining contractual maturities

The following tables detail the company'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.

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						
<i>Non-interest bearing</i>						
Trade payables	-	24,813	-	-	-	24,813
Other payables	-	19,782	-	-	-	19,782
Total non-derivatives		<u>44,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,595</u>

2024	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						
<i>Non-interest bearing</i>						
Trade payables	-	89,169	-	-	-	89,169
Other payables	-	-	-	-	-	-
Total non-derivatives		<u>89,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,169</u>

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.

Gascoyne Water Asset Mutual Co-operative Limited
Directors' Declaration
For the year ended 30 June 2024

In accordance with a resolution of the directors of GASCOYNE WATER ASSET MUTUAL CO-OPERATIVE LIMITED, the directors of the company declare that:

1. The financial statements and notes 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.

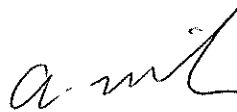
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Paul Shain

Dated this ²⁸ Day of March 2025



Anthony Vrankovich

Dated this ²⁸ Day of March 2025

DIRECTORS:

ROBERT CAMPBELL RCA, CA

VIRAL PATEL RCA, CA

ALASTAIR ABBOTT RCA, CA

CHASSEY DAVIDS RCA, CA

**AUSTRALIAN
AUDIT** 

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA

FAZ BASHI RCA, CPA

AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Directors of Gascoyne Water Asset Mutual Co-operative Limited

In accordance with the requirements of the Co-operatives Act 2009 (WA), in relation to our audit of the financial report of Gascoyne Water Asset Mutual Co-operative Limited for the year ended 30 June 2024, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the Co-Operatives Act 2009 (WA) in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit

Australian Audit



Chassey Davids, CA, RCA, AMIIA, BCom
Registered Company Auditor number 490152
Director
Australian Audit
Perth, Western Australia
Date: 28 March 2025

Australian Audit is a CA Practice

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DIRECTORS:

ROBERT CAMPBELL RCA, CA
VIRAL PATEL RCA, CA
ALASTAIR ABBOTT RCA, CA
CHASSEY DAVIDS RCA, CA

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA
FAZ BASHI RCA, CPA

INDEPENDENT AUDITOR'S REPORT

To the members of Gascoyne Water Asset Mutual Co-operative Limited

Opinion

We have audited the financial report of Gascoyne Water Asset Mutual Co-operative Limited (the entity), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report has been prepared in accordance with requirements of the Co-operatives Act 2009 (WA), including:

- a. giving a true and fair view of the entity's financial position as at 30 June 2024, and of its financial performance and its cash flows for the year then ended; and
- b. complying with the Co-operatives Regulations 2010 (WA); and
- c. the accounting records and other records, and the registers required by the Co-operatives Act 2009 (WA) to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act; and
- d. we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- e. complying with Australian Accounting Standards.

Basis for Opinion

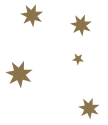
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with Co-operatives Act 2009 (WA) 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 independence declaration required by the Co-Operatives Act 2009 (WA), which has been given to the Board of Directors of the entity, would be in the same terms if given to the Board of Directors as at the time of this auditor's report.

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

Responsibilities of Management and The Board of Directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Co-operatives Act 2009 (WA). The responsibility of Management also includes such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 entity'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 entity 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 the Board of Directors 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.

Australian Audit

Chassey Davids, CA, RCA, AMIIA, BCom
Registered Company Auditor number 490152

Director

Australian Audit

Perth, Western Australia

Date: 28 March 2025