ANNUAL REPORT

GASCOYNE WATER CO-OPERATIVE LTD

FOR THE PERIOD ENDING
30 JUNE 2024

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1. CHAIR'S REPORT

Dear Members,

It is a pleasure to present my first report as Chair of Gascoyne Water Co-operative. Having only recently stepped into the Chair position and currently serving my first term on the Board, it has been a rewarding and valuable experience so far.

Throughout the year, I have thoroughly enjoyed working alongside our current member Directors and external representatives. The level of knowledge, experience, and professionalism around the board table is significant, and our discussions have consistently been constructive and focused. There is a strong and shared commitment to maintaining high standards of governance, while ensuring we continue to deliver a vital service to our members and the broader community.

The Board has placed an elevated focus on compliance, reflecting the increasing complexity of regulatory and operational frameworks within which the Co-operative operates. The Board recognises that a proactive and comprehensive approach to compliance is fundamental to meeting our legal obligations, and upholding the trust of our members and stakeholders.

In collaboration with management, the Board has undertaken a range of initiatives aimed at strengthening the Co-operative's compliance posture. This has included the systematic review and enhancement of internal policies and procedures, the refinement of risk management protocols, and the reinforcement of our organisational reporting structures. A key achievement has been the implementation of a formal Quality Management System (QMS), designed to provide a consistent and structured framework for operational excellence, continuous improvement, and accountability across all levels of the organisation.

Looking ahead, the Co-operative is preparing to pursue ISO 9001 accreditation—a globally recognised standard for Quality Management. Achieving ISO 9001 will demonstrate our commitment to providing consistent, compliant, and transparent services to Members, while promoting a culture of ongoing improvement. Additionally, enhancements have been made to our invoicing and administration processes, resulting in more accurate and timely communication with Members.

Continued investment in staff training and awareness has further ensured that both compliance and quality assurance principles are embedded into the day-to-day culture of the organisation. Through these efforts, the Co-operative is better positioned to respond to emerging challenges, mitigate operational risks, and ensure continued alignment with regulatory and industry standards.

A major highlight of the year was the completion of the first stage of the GISAM project. This important infrastructure initiative represents a major investment in the region's long-term water security and operational capacity. The Board remained closely involved throughout the process, ensuring strong governance, oversight, and alignment with member needs.

As part of this initial stage, 17 new bores were installed in the Northern Borefield, significantly increasing water delivery capability and enhancing the resilience of our network. This work marks a significant milestone in the development of our water infrastructure. The final stage of GISAM—being the Gascoyne Food Bowl Initiative (GFBI)—is expected to be completed in the coming months, further building on this strong foundation.

In parallel with our operational priorities, the Board has continued to advance discussions regarding a potential amalgamation. These discussions have been approached with diligence and foresight, with a strong emphasis on ensuring that any proposed path forward aligns with the long-term interests of our members and the sustainability of our services. While the process is still ongoing, we are committed to open communication, and a final proposal will be shared with members once it has been appropriately developed and endorsed.

The Board remains focused on ensuring that all forward planning is underpinned by sound governance, stakeholder engagement, and a clear understanding of the region's evolving water needs. Our strategic direction will continue to reflect the Co-operative's mission to provide secure, efficient, and sustainable water delivery for our members and the broader community.

I would like to formally acknowledge the efforts of our staff throughout the year. Their professionalism, dedication, and commitment to the Co-operative's goals have been instrumental in delivering on our objectives and maintaining the high standards expected by our members. Each team member plays a vital role in the continued success of the organisation, and on behalf of the Board, I extend our sincere appreciation for their valuable contributions.

Looking ahead, I am optimistic about the future of Gascoyne Water Co-operative. With a strong foundation, a dedicated team, and a clear strategic focus, I am confident that we will continue to grow, adapt, and deliver for our members and stakeholders.

Regards,

Paul Shain

Chair – Gascoyne Water Co-operative

2. CORPORATE SERVICES REPORT

To the Members of Gascoyne Water Co-operative,

It is a privilege to introduce myself as the new Corporate Services Manager at Gascoyne Water Co-operative. I officially commenced in the role in October 2024, and while I joined the organisation after the conclusion of the 2023–2024 financial year, I have spent my initial months gaining a thorough understanding of the operational landscape, the needs of our Members, and the challenges faced in recent years.

Over this time, I've come to appreciate both the strategic importance of the Co-operative in supporting the region's growers and the immense effort required to deliver water services effectively in a dynamic and demanding environment. I also recognise that the Co-operative has experienced a period of disruption and uncertainty, particularly relating to staff turnover and internal systems instability. These challenges have understandably affected day-to-day performance, impacted continuity of service, and eroded confidence among some Members.

As I step into this role, I am focused on the task of building trust, delivering operational stability, and strengthening the internal functions that support a reliable and transparent Member service. It's clear to me that the Co-operative's long-term success depends not just on delivering water, but on delivering it with efficiency, integrity, and accountability.

This report outlines several of the key priorities we are now working on to improve internal operations, enhance responsiveness, and position the Co-operative for a stronger, more resilient future.

We've placed significant emphasis on recruiting and retaining a small team of skilled local staff, which is critical to building a confident and stable team. The benefits of this focus are already becoming evident, with daily operations becoming more consistent and staff increasingly empowered to support Members with professionalism, local insight, and care.

We've also worked closely with our external accountants, RSM Australia, to review our financial and administrative processes. This partnership has helped us identify opportunities to improve internal efficiencies, reduce unnecessary costs, and ensure that resources are being allocated effectively across the organisation. These improvements are not just about financial health—they are about ensuring the Co-operative can sustain and grow its services into the future.

The implementation of a Quality Management System (QMS) has brought new structure and clarity to several core business functions, including: Compliance , Asset Management, Occupational Health and Safety (OHS), Document Control, Reporting and Quality Assurance.

This framework is helping to align how we work, reduce risk, and create more consistency in our processes and decision-making. It also supports better transparency and accountability, which are essential to maintaining Member confidence.

In terms of technology, IT performance and reliability remains a priority area. While many of the issues we are addressing predate my commencement, we've already made meaningful progress in stabilising critical systems and beginning to build staff capability through training and improved support. These improvements will contribute to smoother workflows internally and enable us to deliver more reliable services to Members.

On the regulatory front, Gascoyne Water Co-operative continues to meet its compliance obligations with key agencies, including the Economic Regulation Authority (ERA) and the Department of Water and Environmental Regulation (DWER). Our Corporate Services team maintains active, cooperative relationships with both regulators to ensure that compliance requirements are not only met, but also aligned with the Co-operative's strategic goals and the needs of its Members. We are currently preparing for a full ERA Asset Management System Review, scheduled for May 2025.

In closing, I would like to sincerely thank our Members for your continued patience, support, and engagement during this period of transition. I am committed to working collaboratively with our staff, Directors, and you—our Members—to make meaningful and lasting improvements that will benefit the entire Co-operative.

I look forward to continuing this important work as we build a strong, sustainable, and trusted future for Gascoyne Water Co-operative.

Warm regards,

Suzi Kent

3. BOARD OF DIRECTORS AT 30 JUNE 2024

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.

Anthony Vrankovich (Member Director)

Mr Anthony (Tony) Vrankovich was appointed to the position of Member Director at a Special General Meeting of Members held on 27 August 2021. Mr Vrankovich was born in Carnarvon and is a second generation farmer. He is one of the founding members of Gascoyne Gold Pty Ltd approximately 20 years ago and is still a current co-owner/Director. Mr Vrankovich was a member of the Carnarvon Irrigation Steering Committee that led to the formation of GWC and GWAMCO. He has served 9 years on the CGA committee also.

Saxon Boston (Member Director)

Saxon Boston, was appointed to the position of Member Director in March 2023 AGM. Mr Boston has 35 years of hands-on experience and extensive knowledge of the Carnarvon Horticulture District. He is currently employed as the Horticulture Manager with Harvest Road and is also the owner of Northwest Solutions Pty Ltd, an earthmoving company specializing in underground power, water, and communications. His company has successfully secured contracts with Water

Corporation, Horizon Power, Telstra, and GWC. Saxon played a key role in the installation of the Gascoyne Irrigation Pipeline Project and managed GWC field operations for three years. He has also served two terms as a Councillor for the Shire of Carnarvon. His experience extends beyond Australia, having worked for ICI Pacific Seeds, Velcourt in the UK, and Leo Lithium in Northwest Africa.

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.

David Linder Patton (Non-Member Director)

Mr. David Linder Patton assumed a contract position on the GWC Board as Non-Member Director in April 2024. David is a seasoned financial and corporate leader with extensive experience in strategic planning, corporate recoveries, and executive leadership. A Chartered Management Accountant (ACMA) since 1992 and a Member of the Australian Institute of Company Directors (MAICD), he holds an HND in Business and Finance from Leicester Polytechnic, UK (1987). His expertise spans stakeholder and change management, implementation of integrated MIS and ERP systems, and achieving ISO accreditations. With a proven track record in acquisitions, disposals, and capital raising, David has successfully served as an interim CEO and CFO, driving business transformation and financial growth.

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 14 ordinary Board Meetings as detailed below.

Director	No. of Meetings Attended	Period of Service
Mr. Rodney Sweetman	2	01.07.2023 – 01/09/2023
Mr Domenico Condo	14	1/07/2023 – 30/06/2024
Mr. Paul Shain	11	01.07.2023 – 30.06.2024
Ms. Linda Lyall	1	01.07.2023 – 30.06.2023
Mr. Denis Durmanich	14	01.07.2023 – 30.06.2023
Mr.Anthony Vrankovich	11	02.10.2023 - 30.06.2024
Mr. Saxon Boston	3	14.04.2023 – 30.06.2024
Mr. Nic Cuthbert	12	01.07.2022 – 30.06.2023
Mr. David Linder Patten	2	23.04.2024 – 30.06.2024

Directors and Officers Insurance and Deeds of Indemnity

In accordance with the Co-operative's Rules, Gascoyne Water Co-operative is required to indemnify its officers against any liabilities, costs, charges, losses, damages, and expenses incurred in the execution of their duties. The Rules also provide for the payment of Directors and Officers Liability Insurance premiums, covering actions undertaken in good faith in the course of performing official responsibilities.

During the reporting period, the Co-operative secured a Directors and Officers Liability Insurance policy to ensure appropriate protection for its Directors and Officers in relation to their governance and management roles.

Additionally, the Co-operative has executed Deeds of Indemnity in favour of certain past and present Directors, Secretaries, and Executive Officers. These deeds provide, to the extent permitted by law, indemnification against liabilities incurred in their capacity as officers of Gascoyne Water Co-operative where such protection is not otherwise provided. The indemnity also extends to the reimbursement of legal costs incurred in responding to regulatory investigations and in defending proceedings arising from the performance of their duties.

Directors' Benefits

Except for the remuneration disclosed below and in Note 25, no Director of the Co-operative has received, nor is entitled to receive, any other benefits. Furthermore, no contracts have been entered into between the Co-operative and:

- any Director;
- any entity controlled by a Director; or
- any entity in which a 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 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. Domenico Condo	500	160
Mr. Paul Shain	500	72
Mr. Anthony Vrankovich	500	54
Mr. Saxon Boston	500	770
(Forrest and Forrest)		
Mr. Denis Durmanich	500	64
Mr. Nic Cuthbert	Nil	Nil

Director Remuneration

A change to Director remuneration was approved by Members at the Annual General Meeting held on 15 November 2022. It is noted that superannuation contributions have historically been paid in addition to base Director fees. The remuneration applicable to each position, both prior to and following the approved changes, is outlined 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 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:

Director Name	Position	Directorship Period	Fees Paid
Mr. Rodney Sweetman	Member Director	01.07.2023 – 01.09.2023	$3,333.34
	Chair	01.07.2023 – 01.09.2023	$2,500.00
Mr. Domenico Condo	Member Director	01.07.2023 – 30.06.2024	$15,000.00
	Chair	01/09/2023 – 30.06.2024	$16,666.67
Mr. Paul Shain	Member Director	01.07.2023 – 30.06.2024	$15,000.00
Ms. Linda Lyall	Member Director	01.07.2023 – 30.07.2023	$ 3,750.00
Mr. Denis Durmanich	Member Director	01.07.2023 – 30.06.2023	$15,000.00
Mr. Anthony Vrankovich	Member Director	02.10.2023 - 30.06.2024	$11.250.00
Mr. Saxon Boston	Member Director	14.04.2023 – 30.06.2024	$ 4,375.00
Mr. Nic Cuthbert	Non-member Director	01.07.2022 – 30.06.2023	$13,172.02
Mr. David Linder Patten	Non-member Director	23/04/2024 – 30.06.2024	$ 1,040.93

Disputes Panel

In adherence to Rule 98.1, the Disputes Panel appointed at the 2023 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 Wayne Rowe, Stan Kostanich, Kevin Sullivan, Robert Kuzmicich and Glen Skender.

Company Secretary

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

Company Secretary	Period
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 at 30 June 2024, GWC had reached a settlement with a former service provider. The case continues between the other parties.
An independent internal audit was completed and GWC is implementing recommendations for improvement and seeking advice about the next steps in relation to the report findings.

As of March 2024, GWC has not commenced any legal proceedings. GWC has an ongoing contractual dispute with an infrastructure manufacturer that it is hoped to be resolved without court proceedings.

5. OPERATIONS

GWC Employees - 1 July 2023 and 30 June 2024

Alexandra Bell	2.10.2023 – 30.06.2024	
Brenda Van Rensburg	11.12.2023 – 05.06.2024	
Christina Wong	01.07.2023 – 17.07.2023	
Jude Berry	01.07.2023 – 14.07.2023	
Lauren Surmon	17.02.2024 – 24.04.2024	
Lisa Sweetman	11.12.2023 – 30.06.2024	
Marija Vrankovich	09.10.2023 – 30.06.2024	
Noleen Fraser	01.07.2023 – 11.10.2023	
Rachael Third	01.07.2023 – 22.11.2023	
Robert Lunnon	01.07.2023 – 11.10.2023	
Total Staff Wages		**$315,270.76**

Service Providers

Auditor	Australian Audit Pty Ltd
Banking Institution	ANZ Bank - Carnarvon
Insurance Broker	Oracle Group
Legal Advisors	Addisons Solicitors

Principal Activities

During the reporting period, Gascoyne Water Co-operative's principal activities included the following:

- Monitoring and managing the delivery of non-potable irrigation water to GWC Growers and Coral Coast Water customers within the Carnarvon Irrigation Area.

Fulfilling operational and regulatory obligations, including:

- Compliance with the Northern Borefield Operating Strategy
- Maintenance of the Asset Management System
- Delivery of services in accordance with the Service Agreement with Gascoyne Water Asset Mutual Co-operative Ltd

- Preparation and submission of compliance reports in line with monthly, quarterly, biannual, and annual requirements.
- Implementing the construction phase of the Gascoyne Irrigation Scheme Augmentation and Modernisation (GISAM) Project, supporting infrastructure growth and service reliability.

Water Charges

Based on projected revenue growth from the Co-operative's expanding operations—and in response to feedback from Members—we are pleased to confirm that water charges remained unchanged for the 2024 water year. This decision reflects our commitment to delivering value and cost stability for Members, while responsibly supporting future growth and ensuring the long-term sustainability of the Co-operative.

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

The 2024 Financial Statements are significantly impacted by the GISAM project and impairment losses. The following table outlines the net profit / (loss) adjusted for these items:

	2024	2023	2022	2021
Net Profit /(Loss) Before Income Tax	**(4,968,25)**	**(312,828)**	**(379,653)**	**232,775**
Less: GISAM Revenue	(939,701)	(981,722)	(567,706)	-
Add: Impairment Loss	6,088,000	1,536,921	1,410,141	10,000
Adjusted Net Profit / (Loss) Before Income Tax	**180,044**	**242,371**	**462,782**	**42,775**

Notable movements in profit and loss items include:

1. Increased revenue from:
   a. GWAMCO Service Agreement of $79,862
   b. Increased finance income (interest and distributions) $48,428

2. Decrease expenses relating to:
    a. Maintenance, operations and inventory $568,560
    b. Payroll expenses of $295,923
3. Increase in expenses relating to:
    a. Consultants $181,290 and
    b. Administration $218,925

Notable movements in relation to the Statement of Financial Position include:

1. Decreased cash and financial assets as a result of expenditure on the GISAM project $4,185,338.
2. Capital expenditure of $6,808,039 for the financial year, the majority of which relates to the GISAM project.
3. Increased trade and other receivables of $407,033
4. Increased other assets of $595,023, the majority of which relates to the final GISAM funding instalment of $620,000 received after year end.
5. Increased trade and other payables of $319,999, largely related to the GISAM Project.

As at 30 June 2024, the Consolidated entity had a negative equity balance of $2,276,043 (2023: positive balance of $1,385,393) mainly due to the impairment loss on property, plant and equipment during the year of $6,088,000. The Directors believe that the Consolidated entity will continue to be able to pay for all its debt and expenditure when they become due. As at 30 June 2024, cash held is $509,979 (2023: $4,315,369). Management are forecasting annual profits to return in the next financial year and have thus had the financial statements prepared on a going concern basis.

Auditor

The Audited Financial Statements form an essential component of this Annual Report. A presentation of the audit findings will be delivered by Chassey Davids of Australian Audit, and Members are encouraged to actively participate in the session to gain a clearer understanding of GWC's financial performance and position.

Members are also encouraged to review the Annual Financial Report in detail and direct any questions or queries to the auditor. As an independent appointee of the Members, the auditor provides an objective assessment of the Co-operative's financial statements, offering assurance that is independent of the Board and Management and reinforcing transparency and accountability in financial reporting.

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.

6. SUBSEQUENT EVENTS & FUTURE DEVELOPMENTS

Board Leadership and Governance

In October 2024, Mr Domenico Condo retired from his position as Chair of the Board, following years of dedicated service to Gascoyne Water Co-operative (GWC). The Board expresses its sincere appreciation for Mr Condo's contributions during his tenure. Following his retirement, the Board unanimously elected Mr Paul Shain as the new Chair. Mr Shain brings a deep understanding of the organisation’s strategic priorities and is committed to leading the Co-operative through its next phase of development and transformation.

In a move to strengthen governance and enhance strategic decision-making, the Board welcomed the appointment of two non-member Directors. Both individuals bring extensive experience from the finance sector, further diversifying the Board’s skill set and improving its ability to oversee financial performance, risk management, and long-term planning. These appointments support GWC’s ongoing commitment to strong governance and financial stewardship.

Organisational Structure and Operational Improvements

The administrative operations of Gascoyne Water Co-operative underwent a strategic realignment to enhance efficiency and adaptability. The organisational structure was streamlined, enabling the Corporate Services team—comprising locally sourced, skilled staff—to manage day-to-day functions more effectively. This leaner operational model has improved responsiveness, reduced overheads, and reinforced GWC’s commitment to regional employment and capability development.

To ensure ongoing compliance and to embed continuous improvement across the organisation, a comprehensive Quality Management System (QMS) was implemented. The QMS encompasses key areas including Asset Management, Regulatory Reporting, Compliance Obligations, Occupational Health and Safety (OHS), and Document Control. This system provides a structured framework for maintaining quality, meeting legislative requirements, and fostering a culture of accountability.

Risk, Audit and Strategic Projects

During the reporting period, an independent internal audit was completed to assess organisational controls, compliance practices, and risk management systems. The audit has now been finalised and is undergoing detailed review by independent consultants. The outcomes will inform future improvements and strategic planning.

Directors and Officers Liability Insurance was in place for the 2023/2024 financial year and has been renewed for the 2025/2026 year, providing ongoing protection to Board members and senior management. This coverage underscores GWC’s commitment to responsible governance and risk mitigation.

Exploratory work continued on the feasibility of transitioning Gascoyne Water Co-operative and Gascoyne Water Asset Mutual Co-operative into a single legal entity structure. This strategic review is ongoing, with legal, operational, and stakeholder implications under careful consideration.

Operational and Financial Highlights

Looking ahead, the Gascoyne Food Bowl Initiative (GFBI) is set to be completed with the commencement of new connections scheduled for April 2025. This milestone reflects continued growth in the region and GWC's essential role in supporting agricultural development.

In financial operations, decisive action was taken to address aged receivables. Through improved collection strategies and member engagement, 68% of overdue accounts were successfully recovered, strengthening the Co-operative's cash flow and financial sustainability.

8. ANNUAL FINANCIAL STATEMENTS

Gascoyne Water Co-operative Limited and Controlled Entities

ABN: 32 590 776 789

Financial Report
30 June 2024

Contents

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

		Consolidated Group		Parent Entity	
		2024	2023	2024	2023
	Note	$	$	$	$
Revenue					
Sales revenue	3	**3,948,106**	3,709,885	**4,220,687**	3,430,248
Other Revenue	3	**1,020,197**	1,105,341	**1,084,826**	1,117,128
Water Charges		**(2,468,932)**	(1,756,183)	**(2,450,570)**	(1,737,822)
Expenses					
Payroll expense		**(388,480)**	(684,403)	**(388,480)**	(684,403)
Depreciation and amortisation expense	4	**(4,744)**	(7,246)	**(4,744)**	(7,246)
Consultants		**(210,463)**	(29,173)	**(210,463)**	(29,173)
Writeback / (Loss) on debts written off	8	**(10,557)**	1,060	**(10,557)**	1,060
Impairment loss	4	**(6,088,000)**	(1,536,921)	**(6,088,000)**	(1,536,921)
Maintenance, operations and inventory		**(144,828)**	(713,388)	**(144,828)**	(712,012)
Administration expenses		**(620,169)**	(401,244)	**(618,234)**	(400,367)
Finance costs		**(385)**	(556)	**(280)**	(556)
Profit / (loss) before income tax		**(4,968,255)**	(312,828)	**(4,610,643)**	(560,064)
Income tax expenses	5	**1,278,845**	(109,863)	**1,278,845**	(109,863)
Profit / (loss) for the year		**(3,689,410)**	(422,691)	**(3,331,798)**	(669,927)
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		**(3,689,410)**	(422,691)	**(3,331,798)**	(669,927)
		(3,689,410)	(422,691)	**(3,331,798)**	(669,927)
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 2024

	Note	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	**509,979**	4,315,368	**145,080**	3,770,746
Trade and other receivables	8	**670,797**	263,764	**798,035**	274,191
Inventories	9	**191,470**	191,470	**191,470**	191,470
Financial assets at fair value though profit or loss	11	-	307,336	-	307,336
Financial assets at amortised cost	12	**81,055**	153,668	**81,055**	153,668
Other assets	10	**777,356**	182,333	**918,571**	249,186
TOTAL CURRENT ASSETS		**2,230,657**	5,413,939	**2,134,211**	4,946,597
NON-CURRENT ASSETS					
Financial assets	12	-	-	**1**	1
Property, plant and equipment	14	**715,295**	-	**715,295**	-
Right-of-use assets	15	-	-	-	-
Intangible assets	16	-	-	-	-
Deferred tax assets	17	**1,581,479**	147,634	**1,581,479**	147,634
TOTAL NON-CURRENT ASSETS		**2,296,774**	147,634	**2,296,775**	147,635
TOTAL ASSETS		**4,527,431**	5,561,573	**4,430,986**	5,094,232
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	18	**1,078,504**	758,505	**1,086,919**	751,888
Contract liabilities	19	-	319,701	-	319,701
Provisions	20	**16,426**	6,043	**16,426**	6,043
Borrowings	22	-	-	-	1,748
Lease liabilities	21	**9,522**	8,891	**9,522**	8,891
GFBI Funds Held in Trust	23	-	-	-	-
TOTAL CURRENT LIABILITIES		**1,104,452**	1,093,140	**1,112,867**	1,088,271
NON-CURRENT LIABILITIES					
Borrowings	22	**5,542,706**	3,042,706	**5,542,706**	3,042,706
Lease liabilities	21	**30,812**	40,334	**30,812**	40,334
Deferred tax liabilities	17	**155,000**	-	**155,000**	-
TOTAL NON-CURRENT LIABILITIES		**5,728,518**	3,083,040	**5,728,518**	3,083,040
TOTAL LIABILITIES		**6,832,970**	4,176,180	**6,841,385**	4,171,311
NET ASSETS		**(2,305,539)**	1,385,393	**(2,410,399)**	922,921
EQUITY					
Issued capital	24	**90,630**	92,152	**91,480**	93,002
Retained earnings		**(2,396,169)**	1,293,241	**(2,501,879)**	829,919
TOTAL EQUITY		**(2,305,539)**	1,385,393	**(2,410,399)**	922,921

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 2024

Consolidated Group

	Note	Ordinary Shares $	Retained Earnings $	Total $
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
Balance at 1 July 2023		**92,152**	**1,293,241**	**1,385,393**
Comprehensive income				
Profit for the year		-	**(3,689,410)**	**(3,689,410)**
Shares issued during the year	24	**2,500**	-	**2,500**
Shares brought-back during the year	24	**(4,022)**	-	**(4,022)**
Balance at 30 June 2024		**90,630**	**(2,396,169)**	**(2,305,539)**

Parent Entity

	Note	Ordinary Shares $	Retained Earnings $	Total $
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
Balance at 1 July 2023		**93,002**	**829,919**	**922,921**
Comprehensive income				
Profit for the year		-	**(3,331,798)**	**(3,331,798)**
Shares issued during the year	24	**2,500**	-	**2,500**
Shares brought-back during the year	24	**(4,022)**	-	**(4,022)**
Balance at 30 June 2024		**91,480**	**(2,501,879)**	**(2,410,399)**

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 2024

		Consolidated Group		Parent Entity	
		2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES	Note	$	$	$	$
Receipts from customers		**3,586,557**	4,844,067	**3,248,039**	4,478,701
Payments to suppliers and employees		**(3,521,315)**	(3,046,399)	**(3,486,986)**	(3,030,821)
Interest received		**71,366**	13,377	**55,921**	9,057
Interest paid		**(385)**	(556)	**(280)**	(556)
Net cash provided by/(used in) operating activities	27	**136,223**	1,810,489	**(182,306)**	1,456,381
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(6,808,039)**	(1,544,167)	**(6,808,039)**	(1,544,167)
Proceeds from financial assets at amortised cost		**72,613**	74,916	**72,613**	74,916
Proceeds from financial assets at fair value through profit or loss		**307,336**	-	**307,336**	-
Payments for financial assets at fair value through profit or loss		**-**	(300,000)	**-**	(300,000)
Net cash provided by/(used in) investing activities		**(6,428,090)**	(1,769,251)	**(6,428,090)**	(1,769,251)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		**2,500**	4,500	**2,500**	4,500
Share buy-back payment		**(4,022)**	(3,500)	**(4,022)**	(3,500)
Proceeds from borrowings		**2,500,000**	-	**2,500,000**	1,748
Repayment of borrowings		**-**	-	**(1,748)**	-
Repayment of lease liabilities		**(12,000)**	(12,000)	**(12,000)**	(12,000)
Dividends paid to parent entity		**-**	-	**500,000**	-
Net cash provided by/(used in) financing activities		**2,486,478**	(11,000)	**2,984,730**	(9,252)
Net increase/(decrease) in cash held		**(3,805,389)**	30,238	**(3,625,666)**	(322,122)
Cash and cash equivalents at beginning of financial year		**4,315,368**	4,285,130	**3,770,746**	4,092,868
Cash and cash equivalents at end of financial year	7	**509,979**	4,315,368	**145,080**	3,770,746

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 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:

- 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

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.

(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 2024. 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 2024

Note 3 Revenue and Other Income

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Sales revenue				
- Revenue from water sales	3,331,332	3,227,297	3,069,914	2,904,477
- GWAMCO service agreement	537,706	457,844	537,706	457,844
- Other trading revenue	6,496	600	54,496	48,104
	3,875,534	3,685,741	3,662,116	3,410,425
Finance Income				
- Interest received	64,739	21,977	50,738	17,656
- Interest received - Managed Investments	722	262	722	262
- Distributions - Managed Investments	7,111	1,905	7,111	1,905
- Dividend income	-	-	500,000	-
	72,572	24,144	558,571	19,823
Total revenue from sales	3,948,106	3,709,885	4,220,687	3,430,248
Other Income				
- Share sale revenue	77,100	121,740	514	-
- GISAM Funding	939,701	981,722	939,701	981,722
- Water Corporation on Sale Fee	-	-	141,215	133,527
- Rebates and refunds	-	-	-	-
- Profit on sale of investments	3,396	-	3,396	-
- Staff Housing - Rent & Variables	-	1,879	-	1,879
	1,020,197	1,105,341	1,084,826	1,117,128

Note 4 Expenses

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

		Consolidated Group		Parent Entity	
		2024	2023	2024	2023
	Note	$	$	$	$
Expenses					
Accounting and Legal Fees					
- General accounting and tax		55,210	46,825	55,210	46,825
- Additional one off services		60,538	40,751	60,538	40,751
- Legal Fees		115,504	89,144	89,144	89,144
		231,252	176,720	204,892	176,720
Finance costs					
- Interest paid		385	-	280	-
		385	-	280	-
Impairment loss					
- Property, plant and equipment	14	6,088,000	1,536,921	6,088,000	1,536,921
		6,088,000	1,536,921	6,088,000	1,536,921
Depreciation and amortisation expense					
- Property, plant and equipment	14	4,744	7,246	4,744	7,246
- Right-of-use asset	15	-	-	-	-
- Intangible assets (computer software)	16	-	-	-	-
		4,744	7,246	4,744	7,246
Leases					
- Interest expense on lease liabilities		3,109	3,699	3,109	3,699
		3,109	3,699	3,109	3,699

Note 5 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Profit from ordinary activities	(4,968,255)	(312,828)	(4,610,643)	(560,064)
Applicable tax rate	25.00%	25.00%	25.00%	25.00%
Prima facie tax payable on ordinary activities	(1,242,064)	(78,207)	(1,152,661)	(140,016)
Add:				
Tax effect of				
- Temporary differences	(36,781)	188,071	(126,184)	249,880
	(36,781)	188,071	(126,184)	249,880
Less:				
Tax effect of				
- Other allowable items	-	-	-	-
Income tax expense	(1,278,845)	109,863	(1,278,845)	109,863

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
CURRENT	$	$	$	$
Income tax payable	-	-	-	-
	-	-	-	-

Note 6 Auditor's Remuneration

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial statements	18,520	14,030	14,030	14,030
	18,520	14,030	14,030	14,030

Note 7 Cash and Cash Equivalents

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
CURRENT	$	$	$	$
Cash at bank and on hand - Unrestricted	509,979	3,995,667	145,080	3,451,044
Cash at bank and on hand - Restricted	-	319,701	-	319,701
	509,979	4,315,368	145,080	3,770,746

2023 Restricted funds relate to contract liabilities. Refer to Note 19 for further detail.

The effective interest rate on short-term bank deposits was 4.02% (2023 4.05%).

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	509,979	4,315,368	145,080	3,770,746
	509,979	4,315,368	145,080	3,770,746

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	
	2024	2023	2024	2023
CURRENT	$	$	$	$
Trade receivables	605,808	249,037	720,764	246,606
Provision for impairment	(30,000)	(30,000)	(30,000)	(30,000)
	575,808	219,037	690,764	216,606
Other receivables	94,989	44,727	107,271	57,585
Total current trade and other receivables	670,797	263,764	798,035	274,191

(a) Allowance for expected credit losses

In 2023, the group recognised a reversal of unused amounts of $25,346 in profit or loss in respect of the expected credit losses for the year ended 30 June 2023. There was no movement for the year ended 30 June 2024.

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

Consolidated - 2024	Expected credit loss rate 2024	Carrying amount 2024	Allowance for expected credit losses 2024
	%	$	$
Not overdue	0.0%	116,368	-
0 to 3 months overdue	0.0%	148,338	-
Over 3 months overdue	8.8%	341,102	30,000
		605,808	30,000

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	6.5%	129,887	-
Over 3 months overdue	35.6%	84,221	30,000
		249,037	30,000

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

	2024	2023
Consolidated	$	$
Opening balance	30,000	31,060
Additional provisions recognised	10,557	-
Receivables written off during the year as uncollectable	(10,557)	-
Unused amounts reversed	-	(1,060)
Closing balance	30,000	30,000

Note 8 Trade and Other Receivables (Cont)

Parent - 2024	Expected credit loss rate 2024	Carrying amount 2024	Allowance for expected credit losses 2024
	%	$	$
Not overdue	0.0%	266,627	-
0 to 3 months overdue	0.0%	130,893	-
Over 3 months overdue	9.3%	323,244	30,000
		720,764	30,000

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

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

Parent	2024 $	2023 $
Opening balance	30,000	31,060
Additional provisions recognised	10,557	-
Receivables written off during the year as uncollectable	(10,557)	-
Unused amounts reversed	-	(1,060)
Closing balance	30,000	30,000

Note 9 Inventories

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
CURRENT	$	$	$	$
At cost:				
Consumables	191,470	191,470	191,470	191,470
	191,470	191,470	191,470	191,470

Note 10 Other Assets

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
CURRENT	$	$	$	$
Prepayments	33,199	11,265	33,199	11,265
Accrued Income	124,157	171,068	265,372	237,921
Contract Assets	620,000	-	620,000	-
	777,356	182,333	918,571	249,186

Contract assets relate to funding received under the Financial Assistance Agreement for the *Gascoyne Irrigation Scheme Augmentation and Modernisation* project. Up to 30 June 2024 $1,860,000 funding was received of which $2,480,000 was spent on the project. A contract asset for the difference has been raised.

Gascoyne Water Co-operative Limited and Controlled Entities
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Note 11 Financial Assets at fair value through profit or loss

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
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	
	2024	2023	2024	2023
	$	$	$	$
Opening fair value	307,336	-	307,336	-
Additions	-	300,000	-	300,000
Disposals	(317,359)	-	(317,359)	-
Interest earnings & distributions	10,023	1,905	10,023	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	
	2024	2023	2024	2023
	$	$	$	$
CURRENT				
Financial assets at amortised cost - term deposits	81,055	153,668	81,055	153,668
	81,055	153,668	81,055	153,668

The effective interest rate on long-term bank deposits was 4.99% (2023 4.73%).

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
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*
	2024	2023
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	
	2024	2023	2024	2023
	$	$	$	$
Plant and Equipment:				
- At cost	618,356	591,520	618,356	591,520
- Accumulated depreciation	(354,908)	(348,381)	(354,908)	(348,381)
- Accumulated impairment losses	(261,313)	(243,139)	(261,313)	(243,139)
	2,135	-	2,135	-
Land and Buildings:				
- At cost	482,623	475,425	482,623	475,425
- Accumulated depreciation	(181)	-	(181)	-
- Accumulated impairment losses	(481,704)	(475,425)	(481,704)	(475,425)
	738	-	738	-
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	23,741,001	16,965,030	23,741,001	16,965,030
- Accumulated depreciation	(2,219,002)	(2,219,002)	(2,219,002)	(2,219,002)
- Accumulated impairment losses	(20,809,577)	(14,746,028)	(20,809,577)	(14,746,028)
	712,422	-	712,422	-
Total property, plant and equipment	715,295	-	715,295	-

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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 2022	-	-	-	-	-
Additions	475,425	96,150	-	972,592	1,544,167
Disposals	-	-	-	-	-
Depreciation expense	-	(7,246)	-	-	(7,246)
Impairment loss	(475,425)	(88,904)	-	(972,592)	(1,536,921)
Carrying amount at 30 June 2023	-	-	-	-	-
Additions	**7,198**	**24,870**	-	**6,775,971**	**6,808,039**
Depreciation expense	**(181)**	**(4,563)**	-	-	**(4,744)**
Impairment loss	**(6,279)**	**(18,172)**	-	**(6,063,549)**	**(6,088,000)**
Carrying amount at 30 June 2024	**738**	**2,135**	-	**712,422**	**715,295**

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 $6,088,000 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	
	2024	2023	2024	2023
	$	$	$	$
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 2022	
Amortisation expense	-
Impairment expense	-
Carrying amount at 30 June 2023	-
Additions	-
Disposals	-
Depreciation expense	-
Impairment expense	-
Carrying amount at 30 June 2024	-

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	
	2024	2023	2024	2023
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 2022	-
Amortisation expense	-
Impairment expense	-
Carrying amount at 30 June 2023	-
Amortisation expense	-
Impairment expense	-
Carrying amount at 30 June 2024	-

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 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
CURRENT				
Income tax payable	-	-	-	-
Total	-	-	-	-

NON-CURRENT **Consolidated Group**	Opening Balance $	(Charged)/ Credited to Profit & Loss $	(Charged)/ Credits Directly to Equity $	Changes in Tax Rates $	Exchange Differences $	Closing Balance $
Deferred tax liability						
Other	-	-	-	-	-	-
Balance at 30 June 2023	-	-	-	-	-	-
Other	-	(155,000)	-	-	-	(155,000)
Balance at 30 June 2024	-	(155,000)	-	-	-	(155,000)
Deferred tax assets						
Other	257,497	(109,863)	-	-	-	147,634
Balance at 30 June 2023	257,497	(109,863)	-	-	-	147,634
Other	147,634	1,433,845	-	-	-	1,581,479
Balance at 30 June 2024	147,634	1,433,845	-	-	-	1,581,479

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	-	-	-	-	-	-
Balance at 30 June 2023	-	-	-	-	-	-
Other	-	(155,000)	-	-	-	(155,000)
Balance at 30 June 2024	-	(155,000)	-	-	-	(155,000)
Deferred Tax Assets						
Other	257,497	(109,863)	-	-	-	147,634
Balance at 30 June 2023	257,497	(109,863)	-	-	-	147,634
Other	147,634	1,433,845	-	-	-	1,581,479
Balance at 30 June 2024	147,634	1,433,845	-	-	-	1,581,479

Note 18 Trade and Other Payables

	Consolidated Group 2024 $	Consolidated Group 2023 $	Parent Entity 2024 $	Parent Entity 2023 $
CURRENT				
Trade payables	994,499	311,298	1,003,808	305,556
Other payables	84,005	447,207	83,111	446,332
	1,078,504	758,505	1,086,919	751,888

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.

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Note 19 Contract Liabilities

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
CURRENT				
Contract liabilities	-	319,701	-	319,701
	-	319,701	-	319,701

Contract assets relate to funding received under the Financial Assistance Agreement for the *Gascoyne Irrigation Scheme Augmentation and Modernisation* project. Up to 30 June 2024 $1,860,000 funding was received of which $2,480,000 was spent on the project. A contract asset for the difference has been raised.

Note 20 Provisions

	Consolidated Group		Parent Entity	
Analysis of Provisions	2024	2023	2024	2023
CURRENT	$	$	$	$
Annual Leave				
Opening balance at 1 July 2023	6,043	7,172	6,043	7,172
Additions	35,063	31,172	35,063	31,172
Used	(24,680)	(32,301)	(24,680)	(32,301)
Balance at 30 June 2024	16,426	6,043	16,426	6,043

Note 21 Lease liabilities

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
Current	9,522	8,891	9,522	8,891
Non current	30,812	40,334	30,812	40,334
	40,334	49,225	40,334	49,225

Refer to note 30 for further information on financial instruments.

Note 22 Borrowings

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
CURRENT				
Coral Coast Water	-	-	-	1,748
Total non-current borrowings	-	-	-	1,748
NON-CURRENT				
Pipeline Loan - GWAMCO	5,542,706	3,042,706	5,542,706	3,042,706
Total non-current borrowings	5,542,706	3,042,706	5,542,706	3,042,706
Total borrowings	5,542,706	3,042,706	5,542,706	3,044,454

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.

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

Note 23 GFBI Funds Held In Trust

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
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.

Refer to Note 29 for further details.

Note 24 Issued Capital

	Consolidated Group		Parent Entity	
	2024	2023	2024	2023
	$	$	$	$
A class shares	**83,000**	83,000	**83,500**	83,500
C class shares	**7,630**	9,152	**7,980**	9,502
	90,630	92,152	**91,480**	93,002

Movements in 'A class' share capital - consolidated group

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 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
Issue of Shares		**2,500**	**$1**	**2,500**
Shares brought-back		**(2,500)**	**$1**	**(2,500)**
Balance	**30 June 2024**	**83,000**		**83,000**

Movements in 'C class' share capital - consolidated group

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2022	9,130		9,152
Issue of Shares		-	$1	-
Shares brought-back		-	$1	-
Balance	30 June 2023	9,130		9,152
Issue of Shares		**-**	**$1**	**-**
Shares brought-back		**(1,522)**	**$1**	**(1,522)**
Balance	**30 June 2024**	**7,608**		**7,630**

Note 24 Issued Capital (Cont)

Movements in 'A class' share capital - parent entity

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 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
Issue of Shares		**2,500**	**$1**	**2,500**
Shares brought-back		**(2,500)**	**$1**	**(2,500)**
Balance	**30 June 2024**	**83,500**		**83,500**

Movements in 'C class' share capital - parent entity

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2022	9,480		9,502
Issue of Shares		-	$1	-
Shares brought-back		-	$1	-
Balance	30 June 2023	9,480		9,502
Issue of Shares		**-**	**$1**	**-**
Shares brought-back		**(1,522)**	**$1**	**(1,522)**
Balance	**30 June 2024**	**7,958**		**7,980**

Note 25 Key Management Personnel Remuneration

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

	2024	2023
	$	$
Short-term employee benefits	**265,747**	328,295
Other long-term benefits	**12,649**	4,851
Post-employment benefits	**28,149**	32,853
	306,545	365,999

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:

Note 26 Related Party Transactions (Cont)

	Coral Coast Water		Gascoyne Water	
	2024	2023	2024	2023
	$	$	$	$
Associated companies/individuals:				
Sale of goods and services	**82,188**	704	**292,295**	118,611
Sale of goods and services- Coral Coast Water	**-**	-	**293,005**	278,957
Sale of goods and services - Gascoyne Water Asset Mutual	**1,820**	1,212	**537,706**	457,844
Purchase of goods and services	**-**	-	**933**	300,547
Purchase of goods and services - Gascoyne Water Asset Mutual	**(18,362)**	(18,362)	**(12,000)**	(12,000)
Purchase of goods and services - Gascoyne Water	**(293,005)**	(278,957)	**-**	-
Dividend Paid - Coral Coast Water	**(500,000)**	-	**-**	-
Dividend received - Gascoyne Water	**-**	-	**500,000**	-
Loan Proceeds - Gascoyne Water Asset Mutual	**-**	-	**2,500,000**	-
	(727,359)	(295,403)	**4,111,939**	1,143,959
Amounts outstanding from related parties:				
Trade and other receivables	**2,669**	-	**122,064**	1,037
Trade and other receivables - Gascoyne Water Asset Mutual	**-**	-	**126,599**	61,152
	2,669	-	**248,663**	62,189
Amounts payable to related parties:				
Trade and other payables	**-**	-	**2,320**	3,015
Trade and other payables- Gascoyne Water Asset Mutual	**-**	-	**1,100**	2,200
Loans from associated entities - Gascoyne Water Asset Mutual	**-**	-	**5,542,706**	3,042,706
	-	-	**5,546,126**	3,047,921
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	
	2024	2023	2024	2023
	$	$	$	$
(a) Reconciliation of cash flows from operating activities with				
Profit / (loss) after income tax	(3,689,410)	(422,691)	(3,331,798)	(669,927)
Non-cash flows in profit				
- depreciation and amortisation	4,744	7,246	4,744	7,246
- bad and doubtful debts	10,557	(1,060)	10,557	(1,060)
- (profit)/loss on disposal of assets	-	-	-	-
- writeback of impairment loss on disposal of assets	-	-	-	-
- interest on lease liabilities	3,109	3,699	3,109	3,699
- Managed Investment income and expenses	-	(1,405)	-	(1,405)
- GFBI Fund Income	-	(9,130)	-	(9,130)
- impairment expense	6,088,000	1,536,921	6,088,000	1,536,921
- dividends received	-	-	(500,000)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
- (increase)/decrease in trade and other debtors	(417,590)	(42,825)	(534,401)	(77,807)
- (increase)/decrease in other assets	(596,023)	754,617	(669,385)	687,764
- (increase)/decrease in inventories	-	(94,878)	-	(94,878)
- (increase)/decrease in deferred tax asset	(1,433,845)	109,863	(1,433,845)	109,863
- increase/(decrease) in trade and other payables	319,999	(296,146)	335,031	(301,183)
- increase/(decrease) in contract liabilities	(319,701)	267,407	(319,701)	267,407
- increase/(decrease) in deferred taxes payable	155,000	-	155,000	-
- increase/(decrease) in provisions	10,383	(1,129)	10,383	(1,129)
Net cash provided by operating activities	136,223	1,810,489	(182,306)	1,456,381

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 2024 in relation to the above indemnities.

Note 29 Going Concern
As at 30 June 2024, the Consolidated entity had a negative equity balance of $2,276,043 (2023: positive balance of $1,385,393) mainly due to the impairment loss on property, plant and equipment during the year of $6,088,000. The Directors believe that the Consolidated entity will continue to be able to pay for all its debt and expenditure when they become due. As at 30 June 2024, cash held is $509,979 (2023: $4,315,369). Management are forecasting annual profits to return in the next financial year and have thus had the financial statements prepared on a going concern basis.

Note 30 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.
Installation of the new connections for the GFBI development are expected to commence in April 2025 with 2,100 C Class Shares scheduled to be issued to the GFBI proponents to the end of the 2025 financial year.

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 was 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 has commenced 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 was completed by William Buck. GWC is implementing recommendations for improvement and seeking advice about the next steps.

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

No other matter or circumstance has arisen since 30 June 2024 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 31 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 2024 owed the group $4,190 (3% of trade receivables) (2023 owed the group $5,714 (2% of trade receivables)). This receivable is outside their terms of trade and an impairment was made as at 30 June 2024 (2023: these receivables were outside of their terms of trade and an impairment was made as at 30 June 2023). 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.

Gascoyne Water Co-operative Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2024

Note 31 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 2024 $	Consolidated 2023 $
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 - 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

Consolidated - 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						
Non-interest bearing						
Trade payables	-	1,078,504	-	-	-	1,078,504
Loan - GWAMCO (Pipeline)	-	-		-	5,542,706	5,542,706
Interest bearing - fixed rate						
Lease liability	7.1%	12,000	12,000	21,960	-	45,960
Total non-derivatives		1,090,504	12,000	21,960	5,542,706	6,667,170

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

Note 32 Capital Commitments

	Consolidated	
	2024	**2023**
	$	**$**
Contracted for:		
- capital expenditure projects	-	97,673
	-	97,673
Payable:		
- not later than one year	-	97,673

Gascoyne Water Co-operative Limited and Controlled Entities
Directors' Declaration
For the year ended 30 June 2024

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 2024 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	**Anthony Vrankovich**
Dated this 28 Day of March 2025	Dated this 28 Day of March 2025

AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Directors of Gascoyne Water Co-operative Limited and controlled entities

In accordance with the requirements of the Co-operatives Act 2009 (WA), in relation to our audit of the financial report of Gascoyne Water Co-operative Limited and controlled entities 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

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 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 Qualified Opinion

We did not attend stock take of inventory held as at 30 June 2024. As a result, we were unable to verify the existence and valuation of the Gascoyne Water Co-operative Limited and controlled entities inventory balance of $191,470 as at 30 June 2024.

Material Uncertainty Related to Going Concern

We draw attention to Note 29 in the financial report, which indicates that the Company has a negative equity balance of $2,276,043. This was mainly due to the impairment loss on property, plant and equipment during the year of $6,088,000. The Directors are satisfied that the entity will be able to continue operating as a going concern and will be able to meet all future financial obligations. Our opinion is not modified in respect of this matter.

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 Cor-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.

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

Davids

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