Our Future is in Our Hands

Gascoyne Water Asset Mutual Co-operative Ltd (GWAMCO)

Annual Report

30 June 2022

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Company Directory at 30th June 2022

Head Office	GWAMCO Board
50 Boundary Road (PO BOX 5) CARNARVON WA 6701 Ph: (08) 9941-4488 Fax: (08) 9941-4499 E: gwc@gascoynewater.com.au	Rodney Sweetman - Member Director/Chair Domenico Condo – Member Director Anthony Vrankovich – Member Director
Legal Advisors	**Auditors**
Addison's Level 12 60 Carrington Street SYDNEY NSW 2000	AMD Audit & Assurance Midwest Pty Ltd (t/as AMD) 28-30 Wellington Street BUNBURY WA 6230
Bankers	**Insurance Brokers**
ANZ Bank 16 Robinson Street CARNARVON WA 6701	Nexus Risk Services Level 2, 50 Kings Park Road WEST PERTH WA 6005
Company Officers	
Rodney Sweetman – company Secretary	

About Gascoyne Water Asset Mutual Co-operative Ltd

Gascoyne Water Asset Mutual Co-operative Ltd (GWAMCO) is a locally owned, self-funded co-operative serving its members.

It is, as the name suggests, an asset custodian with current assets being the Northern Borefield (NBF) collector main and its associated bores, headworks and pumps. GWAMCO holds licenses issued by the Department of Water & Environmental Regulation (DWER) to draw approx. 5.56 GL/year from the NBF and the Gascoyne Food Bowl Initiative Borefield.

GWAMCO also owns land and buildings which provide office and workshop space for Gascoyne Water Co-operative Ltd (GWC) to carry out its operations and a leasing opportunity to a local Rural Services retail outlet.

GWAMCO has a Services Agreement with GWC and this agreement allows GWC to operate and manage GWAMCO's assets, in accordance with the conditions of the DWER licence, to abstract water from the groundwater aquifer and deliver the water to the GWC's members via the GWC distribution system. GWC also provides administrative/secretarial services for the running of GWAMCO's business under this Services Agreement.

Chair's Report

CHAIRMAN'S REPORT

Dear Member
With the approach of the GWAMCO Annual General Meeting scheduled for the 15th of November 2022 the Board and I encourage and look forward to your attendance.
The financial year to the 30th of June has been a challenging but productive one, dealing with Covid related problems and the biggest Capital works budget in a decade.
While things are normalising with the lifting of the Covid mandate and protocols, the works program is throwing up additional challenges that relate to labour/contractor availability and supply chain squeezes.
The GWAMCO Board and I continue to provide diligent oversight as Custodians of your assets which includes approximately $6M in cash held as a reserve and contingency for asset replacement and Capex. It has always been the intention and is contained in our Rules that we would establish an investment account for asset replacement with a view and expectation that the account would effectively pay its way and reduce overtime the amount Members are required to pay into it.

Together, GWC and GWAMCO (Gascoyne Water) have submitted what we hope will be the final draft of the Heads of Agreement with DPIRD that will deliver ownership of all the GFBI Infrastructure in the Northern Borefield also known as NBFl and NBF 2.
The deal when concluded will gift to us more production bores than is required to meet the allocation to service the new land release. It will require an allocation of water from DWER and Capex by GWAMCO before we plumb these additional bores up. It is hoped of course that we will attract complimentary grant funding to assist with this.
Gascoyne Water continues to press the issue regarding Single Supplier for irrigation water and the Heads of Agreement process is an opportunity for us to re-emphasise that point.
The issue of flow control has been subjected to an additional Engineering review and while the final report is not in yet, it is becoming obvious that some form of flow control will be required and for several reasons.
Operational factors and scheme integrity require a level of control that minimises risk of hammer and collapse of the main as well as guarantee a minimum rate of supply in extreme conditions.
Flow Control remains a live issue and industry will continue to be involved in the discussion and resolution of the matter. In the end the critical issue will be the "Peak Factor" itself
The daily maximum amount of a grower's allocation drawn over a 24 hour period will be determined by the total litres per second that can be wrung out of the system safely.
The more bores and infrastructure we have will support a higher/better Peak Factor, so will grower on farm storage equal to one day of a growers allocation as calculated by their individual Peak factor.
GWAMCO is not oblivious to the escalating power charges that GWC are incurring and the need to offset as much of this cost as possible through installation of solar power. With power cost equal to 10 cents per KL the need has never been more urgent.
There are complexities to achieving this end and to date have frustrated taking the discussions past the preliminary stage. However recent discussions with Suppliers/Installers by Elena the Chair of GWC and very encouraging discussions Eddie and I have had recently with Water Corp gives indication that we may be able to get moving on this initiative sooner than expected.

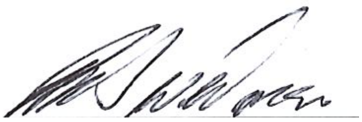
Last year I foreshadowed a desire to return to dedicated Member Directors for GWAMCO with only 1 being common to both Boards. This was the case prior to 2014 when the rules changed to allow Common Directors at the discretion of Members and at the same time reducing membership from 5 to 3 Directors.
The potential short comings both practical and from a Governance perspective are obvious which is an admission on my part I was wrong when I agreed with the 2014 changes.
It may be that members are content to have one, some or all as Common Directors.
If that be the case or not I strongly suggest the appointment of one external Non-member Director to the board of GWAMCO, in addition to the 3 Member Directors.

GWC are concluding the recruitment process to be able to recommend to you a replacement for Non-member Director Geoff Calder at this year's AGM. The Board and I Believe there is an opportunity to recommend to you that the same nominee for GWC should be the nominee for GWAMCO. Incidentally, and as an example Harvey Water external Director is common to both Boards.

There remains much to be done and I make reference again of the need for a review of the GW AMCO Rules which have not had a comprehensive review apart from a few modest changes along the way. We hope that with GWC concurrence we will deal with this sometime between now and the next AGM.

In conclusion Dom, Tony and I are grateful for the trust you have vested in us.
I look forward speaking with you at the AGM.

Yours Sincerely,



Rod Sweetman,
7th October 2022

BOARD OF DIRECTORS

Rod Sweetman (Member Director/Chair)

Mr Rod Sweetman was elected by members at the 2020 GWAMCO AGM held on the 1st February. He was elected Chair at the board meeting on the 30th August 2020.
Mr Sweetman has been a member of the Co-operative since 2006 when he purchased his plantation and was a Director on the Board of GWC over the years including Acting General Manager of GWC for a brief period. Mr Sweetman has business experience managing and operating a diversified private business successfully in Carnarvon for 25 years. He was involved in Local Government for 8 years and State Parliament for 8 years.

Domenico Condo (Member Director)

Mr Dom Condo was elected by members at a Special General Meeting (SGM) of Gascoyne Water Asset Mutual Co-operative Ltd members held on 27 August 2021. Mr Condo provided the following list of achievements as follows:
Established horticulture knowledge and experience from the early 1970's, In depth knowledge of water trading and management schemes from business ownership in Mildura district of Victoria, Management of failing business to the position of being an exporter of premium grapes, citrus and beans, Winner inaugural Victorian New Business of the year Award 1994, Development of current business in Carnarvon from bare ground in 1995 to current table grape production facility across two sites.

Mr Condo has service on many business and community Boards and Committees since arriving in Carnarvon such as:Inaugural Director of Gascoyne Water Cooperative (GWC) and Chairman for 8 years standing down in 2015, Former GWC representative working with the GWAAC Committee, Grower representative on the Carnarvon Ministerial Advisory Group.
*Former member of the Borefield Management Group, Former Vice Chairperson on the Carnarvon Irrigation Steering Committee, Former Shire Councillor Plantation Ward.
*Former Board Member of the Gascoyne Development Commission, Former Vice Chairperson of the Carnarvon Growers Association and current Committee Member.
*Member of the Carnarvon Chamber of Commerce, Licensed fumigator - fumigation of produce for export.

Anthony Vrankovich

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.

CORPORATE GOVERNANCE & DIRECTORS REPORT

Board Responsibilities

The Board is accountable to members for the performance of the co-operative. In carrying out its responsibilities the Board undertakes to serve the interests of members, employees, customers and the broader community, in an honest, fair and diligent manner and in accordance with the Co-operative Rules, Directors Code of Conduct and with applicable Acts, regulations and legislation.

In particular, the Board:

- Sets and reviews strategic direction
- Establishes and reviews policy
- Ensures compliance with laws and all appropriate accounting standards
- Monitors the operating and financial performance of the Co-operative
- Monitors Risk Management
- Ensures adequate and inclusive communication with the members

Board Structure

The Rules of the Co-operative provide that the minimum number of Member Directors is three (3) and the maximum number of Member Directors is five (5).

The Board currently comprises three Member Directors. Director details as at the date of this report, including their qualifications and experience are set out on the preceding pages.

Meetings

The Board generally schedules monthly meetings. In addition to this, the Board will meet whenever necessary to deal with specific matters. In this reporting period, the Board met a total of nine (9) times. Details of Directors' attendance at meetings are set out later in this report.

The Chair and Company Secretary coordinate meeting agendas to ensure adequate coverage of strategic, financial and risk areas. Directors are expected to participate and exercise their independent judgement.

Access to Information and Professional Advice

Directors receive regular detailed financial and operational reports and have unrestricted access to company records and information. They have the authority to engage independent experts, collectively or individually in line with the "Financial & Purchasing Delegations" Policy. A resolution approving independent expert engagement approved by the Board as a whole shall be minuted to authorise expenditure of this nature and the GWC General Manager informed (if not already) so that a purchase order can be raised in line with the Company's procurement procedures and the terms of the Services Agreement between GWAMCO and GWC.

Directors and Officers Insurance and Deeds of Indemnity

The Co-operative's Rules require the Co-operative to indemnify its officers against all liabilities, costs, charges, losses, damages and expenses which they may respectively incur, or be put to, in the execution of their respective offices. Further, the Co-operatives' Rules permit the Co-operative to maintain and pay insurance premiums for Director and officer liability insurance, to the extent permitted by law. GWAMCO is Self-Insured.

Director Training

All Directors are expected to maintain the skills required to discharge their obligations to the Co-operative. Directors are encouraged to undertake continued professional development involving industry seminars and approved education courses. All Directors are encouraged to attend industry specific conferences including the annual Irrigation Australia Conference and the WA Co-operatives Conference. An Annual Director Training budget is maintained for training purposes.

Review of Board and Director Performance

The Board is responsible for overseeing the annual evaluation of the Board and Director performance. Evaluations may be conducted on a yearly basis or at intervals chosen by the Board with the goal of producing continuing improvements in Board processes and overall efficiency.

Committees of the Board

The Board has not established any Standing Committees or sub-committees during the reporting period.

Communication with Shareholders

Directors recognise that shareholders, as the ultimate owners of the Co-operative, are entitled to receive timely and relevant information about the Co-operative. The Board has established a communication policy which aims to promote open and effective communication with members and other stakeholders of the Co-operative. A range of communication methods are used including but not limited to:

- The Annual Report
- The Annual General Meeting
- Informal Meetings with members
- The website www.gascoynewater.com.au
- Regular member mail outs.

Disputes Panel/Committee

In accordance with Rules 85 & 86 the Board has determined that the Disputes Panel shall comprise five persons who are members but not Directors and two Directors.

For the reporting period the non-Director members of the Disputes Panel were: Al Holtham, Dennis Durmanich, James Coupar, David Bumbak and John Kearney.

A Disputes Committee was not formed so it did not convene during the period to hear any disputes.

Directors

The following persons held office as Directors of Gascoyne Water Asset Mutual Co-operative Limited at 30 June 2022:

- Domenico Condo (Member Director)
- Anthony Vrankovich (Member Director)
- Rod Sweetman (Member Director)

The Co-operative Rules provide for rotation of Directors (see Rule 53). One-third of Members Directors retire from office but may offer themselves for re-election if desired. Non-Member Directors may be appointed for a period of not more than three years if the candidate is nominated under Rule 48.2.

Principal Activities

The principal activities of the Company during the financial year consisted of:

- overseeing the management of the GWAMCO assets and associated maintenance
- securing investment of members' funds to provide for asset renewals into the future
- developing the Northern Borefield

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the company that occurred during the year which are not otherwise in this report and the accounts.

Directors' Benefits

No Director of the Co-operative has received, or has become entitled to receive, a benefit (other than a remuneration benefit included in the Notes to the accounts) because of a contract that the Director, or a firm in which the Director is a member, or an entity in which the Director has a substantial financial interest, has made with the Co-operative.

Directors' Interests

The relevant interests in the share capital of the Co-operative as at 30 June 2021, appearing in the register maintained at the office under Division 7 Section 230 of the *Co-operatives Act 2009* were:

Director	**A Class Shares Held**
Anthony Vrankovich	48
Domenico Condo	45
Rodney Sweetman	5

Note: GWC Chief Executive Officer, Mr Eddie Smith, is listed as a director of Caidan Investments (WA) Pty Ltd which holds 500 A Class shares and Caidan Produce Pty Ltd which holds 500 A Class Shares in GWAMCO

Meetings of Directors

Number of Meetings held during period:			
Directors Name	**# of Meetings Held during reporting period**	**# of Meetings Attended**	**Directorship period**
Rodney Sweetman	8	8	01/02/2021 – 30/6/2022
Tom Day	1	1	20/11/2018 – 27/8/2021
Linda Lyall	1	1	20/11/2018 – 27/08/2021
Domenico Condo	7	7	27/08/2021 – 30/06/2022
Anthony Vrankovich	7	7	27/08/2021 – 30/06/2022

Remuneration of Directors

The Directors' remuneration was voted and accepted by Members at the 11th Annual General Meeting held on 24 November 2016.

Director Name	Position Title	Amount per Annum
Rod Sweetman	Chair & Member Director	$9,000
Anthony Vrankovich	Member Director	$6,000
Domenico Condo	Member Director	$6,000

Auditor

AMD Audit & Assurance Midwest Pty Ltd (ACN 609 606 902 t/a AMD) are engaged as GWAMCO's external Auditors for the completion of this Annual Report.

Financial Results

The financial results for the company for the year are contained in the attached Statutory Accounts.

No recommendation has been made for the payment of any dividend.

Subsequent Events

No subsequent events are reported.

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Pursuant to Part 4 Division 6 of the *Co-operatives Act* 2009 no person has applied for leave of the Supreme Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Co-operative was not a party to any such proceeding during the year.

This report is made in accordance with a resolution of the Directors.

Rod Sweetman
Chair/Member Director
Carnarvon, Western Australia

Gascoyne Water Asset Mutual Co-Operative Limited

ABN: 90 622 624 010

Financial Report
30 June 2022

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022 $	2021 $
Sales revenue	3	**879,613**	899,906
Employee benefits expense	15	**(23,100)**	(22,995)
Depreciation expense	11	**(159,860)**	(160,387)
Service agreement		**(410,483)**	(66,888)
Insurance		**(45,491)**	(29,020)
Reversal of accrued transfer duty liability	20	**367,523**	-
Administration expense		**(59,493)**	(28,703)
Profit before income tax		**548,709**	591,913
Tax expense	5	**(1,866)**	(28,339)
Profit for the year		**546,843**	563,574
Total comprehensive income for the year		**546,843**	563,574

The accompanying notes form part of these financial statements.

Gascoyne Water Asset Mutual Co-operative Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**5,898,932**	2,368,257
Trade and other receivables	8	**38,097**	29,494
Financial assets	9	**-**	3,228,779
Other current assets	10	**27,988**	31,054
Current tax assets	13	**26,068**	11,357
TOTAL CURRENT ASSETS		**5,991,085**	5,668,941
NON-CURRENT ASSETS			
Trade and other receivables	8	**3,042,706**	3,042,706
Property, plant and equipment	11	**1,906,927**	2,066,787
Deferred tax assets	13	**356**	76
TOTAL NON-CURRENT ASSETS		**4,949,989**	5,109,569
TOTAL ASSETS		**10,941,074**	10,778,510
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**90,045**	476,800
Current tax liabilities	13	**-**	-
TOTAL CURRENT LIABILITIES		**90,045**	476,800
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	**-**	-
TOTAL NON-CURRENT LIABILITIES		**-**	-
TOTAL LIABILITIES		**90,045**	476,800
NET ASSETS		**10,851,029**	10,301,710
EQUITY			
Issued capital	14	**30,256**	27,780
Retained earnings		**10,820,773**	10,273,930
TOTAL EQUITY		**10,851,029**	10,301,710

The accompanying notes form part of these financial statements.

Gascoyne Water Asset Mutual Co-operative Limited

Statement of changes in equity

For the year ended 30 June 2022

	Note	Ordinary Share Capital	Retained Earnings (accumulated losses)	Total
		$	$	$
Balance at 1 July 2020		24,972	9,710,356	9,735,328
Profit for the year		-	563,574	563,574
Shares issued during the year	14	3,918	-	3,918
Shares brought-back during the year	14	(1,110)	-	(1,110)
Balance at 30 June 2021		27,780	10,273,930	10,301,710
Balance at 1 July 2021		**27,780**	**10,273,930**	**10,301,710**
Profit for the year		**-**	**546,843**	**546,843**
Shares issued during the year	14	**3,928**	**-**	**3,928**
Shares brought-back during the year	14	**(1,452)**	**-**	**(1,452)**
Balance at 30 June 2022		**30,256**	**10,820,773**	**10,851,029**

Gascoyne Water Asset Mutual Co-operative Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**770,466**	784,024
Payments to suppliers and employees		**(558,656)**	(134,498)
Income tax paid		**(16,858)**	(55,103)
Interest paid		**-**	(209)
Interest received	3	**5,266**	29,827
Rent received	3	**99,202**	95,644
Net cash provided by operating activities	17	**299,420**	719,685
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**-**	-
Net cash provided by/(used in) investing activities		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**3,928**	3,918
Shares brought-back during the year		**(1,452)**	(1,110)
Repayment of loans		**-**	-
Loan repayments received from related parties		**-**	-
Proceeds from financial assets at amortised cost		**3,228,779**	724,302
Payments for financial assets at amortised cost		**-**	-
Net cash provided by/(used in) financing activities		**3,231,255**	727,110
Net increase/(decrease) in cash held		**3,530,675**	1,446,795
Cash at beginning of financial year		**2,368,257**	921,462
Cash at end of financial year	7	**5,898,932**	2,368,257

This financial report covers Gascoyne Water Asset Mutual Co-operative Limited. Gascoyne Water Asset Mutual Co-operative Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The Company prepares its financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars.

The financial report was authorised for issue by the Directors on 31 October 2022.

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 Company 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) 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.

Mutual Income

Mutual Income relates to monies paid to the Company by its members.

Taxable Income

Taxable Income relates to monies received from there sources that do not meet the mutuality requirements and are taxable. Major sources of this income are rent and interest received.

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.

(b) Current and non-current classification

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

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

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

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

(c) Revenue recognition

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

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

Sale of goods

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

Rental income

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

Other revenue

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

(d) Finance costs

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

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

(e) Goods and services tax (GST)

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

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

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

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

(f) Property, plant and equipment

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

Land and buildings

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

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

Plant and equipment

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

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

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

Depreciation

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

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

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

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

Fixed asset class

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

(g) Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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

(h) Investments and other financial assets

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, 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 Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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

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

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

(i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

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

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

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

(j) Impairment of non-financial assets

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

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

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

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

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

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

(k) Cash and cash equivalents

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

(l) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

(m) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

(n) Provisions

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

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

(o) Trade and other payables

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

(p) Borrowings

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

(q) Lease liabilities

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(r) New or Amended Accounting Standards and Interpretations Adopted

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

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2022. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(t) Critical Accounting Estimates and Judgments

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Revenue from contracts with customers involving sale of goods

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

Fair value measurement hierarchy

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

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

Estimation of useful lives of assets

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

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

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

Income tax

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

Recovery of deferred tax assets

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

Employee benefits provision

As discussed in note 1, 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 Asset Mutual Co-operative Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 3 Revenue and Other Income

	2022 $	2021 $
Sales revenue		
- Receipts from members	**775,075**	768,675
Finance income		
- Interest received	**5,266**	29,827
Other income		
- Rental revenue from property investment	**99,202**	95,644
- Sundry revenue	**70**	760
- Cash flow boost	**-**	5,000
	879,613	899,906

Note 4 Expenses

	2021 $	2021 $
Expenses		
Accounting Fees		
- general accounting and tax	**13,710**	12,509
- additional one off services	**357**	1,200
Total accounting fees	**14,067**	13,709

Note 5 Income Tax Expense

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

	2022 $	2021 $
Current tax expenses		
- Local income tax - current period	**1,866**	28,339
- Prior year income tax expense	**-**	-
Income tax expense for continuing operations	**1,866**	28,339

(b) Reconciliation of income tax to accounting profit

	2022 $	2021 $
Profit from ordinary activities	**548,709**	591,913
Applicable tax rate	**30%**	30%
Prima facie tax payable on ordinary activities	**164,613**	177,574
Add:		
Tax effect of		
- Non-deductible expenditure	**35,312**	49,675
	199,925	227,249
Less:		
Tax effect of		
- Non-taxable member income arising from principle of mutuality	**(231,486)**	(229,788)
- Timing differences	**33,427**	30,878
Income tax expense	**1,866**	28,339

Note 6 Auditor's Remuneration

	2022 $	2021 $
Remuneration of the auditor for:		
- Auditing or reviewing the financial statements	**7,980**	7,570
	7,980	7,570

Note 7 Cash and Cash Equivalents

	2022 $	2021 $
CURRENT		
Cash at bank and on hand	**5,898,932**	2,368,257
	5,898,932	2,368,257

Reconciliation of cash

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

Cash and cash equivalents	**5,898,932**	2,368,257

Note 8 Trade and Other Receivables

	2022 $	2021 $
CURRENT		
Member's receivables	**56,026**	51,347
Provision for impairment	**(17,929)**	(21,853)
	38,097	29,494
NON-CURRENT		
GWC Pipeline Loan	**3,042,706**	3,042,706
Total non-current trade and other receivables	**3,042,706**	3,042,706
Total Trade and Other Receivables	**3,080,803**	3,072,200

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

Note 8 Trade and Other Receivables (Cont)

(a) Allowance for expected credit losses

The company has recognised a reversal of unused amounts of $3,924 (2021: $14,489 reversal) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

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

	Expected credit loss rate 2022	Carrying amount 2022	Allowance for expected credit losses 2022
	%	$	$
Not overdue	**0.0%**	**2,097**	**-**
0 to 3 months overdue	**9.6%**	**20,098**	**1,930**
Over 3 months overdue	**47.3%**	**33,831**	**15,999**
		56,026	**17,929**

	Expected credit loss rate 2021	Carrying amount 2021	Allowance for expected credit losses 2021
	%	$	$
Not overdue	0.0%	7,742	-
0 to 3 months overdue	14.0%	13,380	1,873
Over 3 months overdue	66.1%	30,225	19,980
		51,347	21,853

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

	2022	2021
	$	$
Opening balance	**21,853**	36,342
Additional provisions recognised	**-**	-
Receivables written off during the year as uncollectable	**-**	-
Unused amounts reversed	**(3,924)**	(14,489)
Closing balance	**17,929**	21,853

Note 9 Financial Assets

	2022	2021
	$	$
CURRENT		
Financial assets at amortised cost - term deposits	**-**	3,228,779
	-	3,228,779

The effective interest rate on long-term bank deposits was 0.00% (2021 0.21%).

Note 10 Other Assets

	2022	2021
	$	$
CURRENT		
Prepayments	**27,988**	28,473
Accrued Income	**-**	-
Accrued Interest	**-**	2,581
	27,988	31,054

Note 11 Property, Plant and Equipment

	2022	2021
	$	$
Land		
At fair value	**400,000**	400,000
Net carrying value	**400,000**	400,000
Buildings		
At fair value	**575,000**	575,000
Accumulated depreciation	**(28,750)**	(14,375)
Net carrying value	**546,250**	560,625
Total land and buildings	**946,250**	960,625
Plant and equipment		
At cost	**2,737,880**	2,737,880
Accumulated depreciation	**(1,777,203)**	(1,631,718)
Net carrying value	**960,677**	1,106,162
Total property, plant and equipment	**1,906,927**	2,066,787

(a) Movements in carrying amounts

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

	Land	Buildings	Plant and Equipment	Total
	$	$	$	$
Balance at 1 July 2020	400,000	575,000	1,252,174	2,227,174
Depreciation expense	-	(14,375)	(146,012)	(160,387)
Carrying amount at 30 June 2021	400,000	560,625	1,106,162	2,066,787
Depreciation expense	**-**	**(14,375)**	**(145,485)**	**(159,860)**
Carrying amount at 30 June 2022	**400,000**	**546,250**	**960,677**	**1,906,927**

Note 12 Trade and Other Payables

	2022 $	2021 $
CURRENT		
Trade and sundry payables	**81,213**	49,011
Goods and services tax	**8,832**	17,187
Provision for transfer duty	**-**	410,602
	90,045	476,800

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

Note 13 Current and Deferred Tax Assets and Liabilities

	2022 $	2021 $
CURRENT		
Income tax payable / (receivable)	**(26,068)**	(11,357)
Total	**(26,068)**	(11,357)

NON CURRENT	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 as at 30 June 2021	-	-	-	-	-	-
Other	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2022	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax assets	**$**	**$**	**$**	**$**	**$**	**$**
Other	649	(573)	-	-	-	76
Balance as at 30 June 2021	649	(573)	-	-	-	76
Other	**76**	**280**	**-**	**-**	**-**	**356**
Balance as at 30 June 2022	**76**	**280**	**-**	**-**	**-**	**356**

Note 14 Issued Capital

	2022 $	2021 $
30,234 (2021: 27,758) fully paid ordinary shares	**30,256**	27,780
	30,256	27,780

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2020	24,950		24,972
Issue of Shares		3,918	$1	3,918
Shares bought-back		(1,110)	$1	(1,110)
Balance	30 June 2020	27,758		27,780
Issue of Shares		**3,928**	**$1**	**3,928**
Shares bought-back		**(1,452)**	**$1**	**(1,452)**
Balance	30 June 2021	**30,234**		**30,256**

a) Ordinary Shares

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

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

b) Capital Management

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

The company's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

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

	Note	**2022 $**	**2021 $**
Trade and other payables	12	**90,045**	476,800
Less cash and cash equivalents	7	**(5,898,932)**	(2,368,257)
Less financial assets at amortised cost - term deposits	9	**-**	(3,228,779)
Net debt		**(5,808,887)**	(5,120,236)
Total equity		**10,851,029**	10,301,710
Total capital		**5,042,142**	5,181,474

Note 15 Key Management Personnel Remuneration

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

	2022	2021
	$	$
Short-term employee benefits	**21,000**	21,000
Post-employment benefits	**2,100**	1,995
	23,100	22,995

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

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

Other KMP Transactions
Refer to Note 16 for further detail of other related KMP transactions

Note 16 Related Party Transactions

The Company's main related parties are as follows:

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

For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Remuneration.

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

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

Transactions with related parties

	2022	2021
	$	$
Associated companies/individuals:		
Sale of goods and services	**26,793**	15,773
Sale of goods and services - Gascoyne Water	**12,000**	12,000
Sale of goods and services - Coral Coast Water	**18,362**	18,349
Purchase of goods and services - Gascoyne Water	**410,483**	(67,629)
Purchase of goods and services - Coral Coast Water	**2,306**	(2,395)
Loan Payment	-	-
	469,944	(23,902)
Amounts outstanding from related parties:		
Trade and other receivables - Gascoyne Water	**1,100**	1,100
Loans to associated entities	**3,042,706**	3,042,706
	3,043,806	3,043,806
Amounts payable to related parties:		
Trade and other payables- Gascoyne Water	**53,447**	18,888
Trade and other payables- Coral Coast Water	**575**	75
	54,022	**18,963**
Shares held		
Gascoyne Water Asset Mutual Cooperative Limited shares held by Coral Coast Water Pty Ltd	**110**	110
Gascoyne Water Asset Mutual Cooperative Limited shares held by Gascoyne Water Cooperative Limited	**240**	240

Note 17 Cash Flow Information

	2022 $	2021 $
a) Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	**546,843**	563,574
Non-cash flows in profit		
- Depreciation	**159,860**	160,387
- Bad and doubtful debts	**(3,924)**	(14,489)
- Revaluation of property, plant and equipment	**-**	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase) in trade and other receivables	**(4,679)**	9,588
- (Increase) in other assets	**3,067**	1,432
- (Increase) in current tax assets	**(14,711)**	(11,357)
- (Increase) / decrease in deferred tax asset	**(280)**	573
- Increase in trade and other payables	**(386,756)**	25,957
- Increase / (decrease) in current tax liabilities	**-**	(15,980)
- Increase in deferred tax liability	**-**	-
Net cash provided by operating activities	**299,420**	719,685

Note 18 Contingent Liabilities

There were no known contingent liabilities at 30 June 2022.

Note 19 Events After the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially significant for the company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 20 Change in Accounting Estimates

In the year ended 30 June 2017, accrued transfer duty liability of $410,601.50 was recognised in relation to an asset transfer deed for the transfer of bores from the Western Australian State Government. This valuation was subsequently disputed and during the year ended 30 June 2022, a lower valuation was accepted by the Office of State Revenue which resulted in actual transfer duty of $43,078.90 being assessed and paid.

The difference between the accrued expense and actual transfer duty of $367,522.60 has been recognised through profit and loss for the year ended 30 June 2022.

Note 21 Financial Instruments

Financial risk management objectives

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

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

Market risk

Foreign currency risk

The company is not exposed to any foreign currency risk.

Price risk

The company is not exposed to any significant price risk.

Credit risk

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

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

The company has a credit risk exposure with two receivables which as at 30 June 2022 owed the company $17,929 (32% of trade receivables) (2021: three receivables $21,853 (43% of trade receivables)). These receivables are outside their terms of trade and an impairment was made as at 30 June 2022 (2021: all of these receivables were outside of their terms of trade and an impairment was made as at 30 June 2021). There are no guarantees against these receivables but management closely monitors the receivables balance on a monthly basis and is in regular contact with these receivables to mitigate risk.

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

Note 21 Financial Instrument (Cont)

Liquidity risk

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

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

Financing arrangements

Unused borrowing facilities at the reporting date:

	2022 $	2021 $
Bank overdraft	-	-
Bank loans	-	-
	-	-

Remaining contractual maturities

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

2021	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	-	49,011	-	-	-	49,011
Other payables	-	427,788	-	-	-	427,788
Total non-derivatives		476,799	-	-	-	476,799

2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	**81,213**	**-**	**-**	**-**	**81,213**
Other payables	-	**8,832**	**-**	**-**	**-**	**8,832**
Total non-derivatives		**90,045**	**-**	**-**	**-**	**90,045**

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

Fair value of financial instruments

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

Gascoyne Water Asset Mutual Co-operative Limited
Directors' Declaration
For the year ended 30 June 2022

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

1. The financial statements and notes are in accordance with the *Co-operatives Act 2009* and:

    (a) comply with Australian Accounting Standards;
    (b) give a true and fair view of the financial position as at 30 June 2022 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

Rodney Sweetman

Dated this 31st Day of October 2022

Domenico Condo

Dated this 31st Day of October 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GASCOYNE WATER ASSET MUTUAL CO-OPERATIVE LIMITED

Opinion
We have audited the financial report of Gascoyne Water Asset Mutual Co-operative Limited (the co-operative), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the director's declaration.

In our opinion, the accompanying financial report of the co-operative is in accordance with the *Co-operatives Act 2009,* including:

a) giving a true and fair view of the financial position of the co-operative as at 30 June 2022, and of its financial performance and cash flows for the year then ended; and
b) complying with Australian Accounting Standards and the *Co-operatives Regulations 2010.*

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the co-operative in accordance with the ethical requirements of the *Co-operatives Act 2009* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independent declaration required by the *Co-operatives Act 2009*, which has been given to the directors of the co-operative, would be the same terms if given to the directors as at the time of this auditor's report.

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

Other Information
Those charged with governance are responsible for the other information. The other information comprises the information included in the co-operative's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report
The directors of the co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Co-operatives Act 2009* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

AMD Chartered Accountants

TIM PARTRIDGE
Director

Level 1 – 53 Victoria Street, Bunbury, Western Australia Dated this 31st day of October 2022

AUDITOR'S INDEPENDENCE DECLARATION
UNDER THE CO-OPERATIVES ACT 2009
TO THE DIRECTORS OF GASCOYNE WATER ASSET MUTUAL CO-OPERATIVE LIMITED

I declare that, to the best of my knowledge and beliefs, during the year ended 30 June 2022 there have been no contraventions of:

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

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

AMD Chartered Accountants

TIM PARTRIDGE
Director

Level 1 – 53 Victoria Street Bunbury, Western Australia

Dated this 31st day of October 2022