GWAMCO

Our Future is in Our Hands

ANNUAL REPORT

GASCOYNE WATER ASSET MUTUAL CO-OPERATIVE LTD

FOR THE PERIOD ENDING

30 JUNE 2023

CONTENTS

1. GWAMCO

Gascoyne Water Asset Mutual Co-operative Ltd (GWAMCO) is a locally owned and self-funded co-operative dedicated to serving its members. True to its name, GWAMCO acts as an asset custodian, with its principal assets comprising the Northern Borefield (NBF) collector main, including associated bores, headworks, and pumps.

Possessing licenses issued by the Department of Water & Environmental Regulation (DWER), GWAMCO is authorised to draw approximately 7.1 GL per year from both the Northern Borefield and the Gascoyne Food Bowl Initiative Borefield.

In addition to its water-related assets, GWAMCO owns valuable land and buildings. These facilities house offices, workshops, and accommodation that are essential for Gascoyne Water Co-operative Ltd (GWC) to carry out day-to-day operations, as well as offering a leasing opportunity to a local Rural Services retail outlet.

GWAMCO has entered into a Services Agreement with GWC, allowing the co-operative to effectively manage and operate its assets. This agreement ensures compliance with the conditions outlined by the DWER Water Licenses, enabling GWC to abstract water from the Gascoyne River groundwater aquifer. The co-operative delivers this water to its members via the Gascoyne Water Distribution Line. Moreover, GWC plays a pivotal role in the administrative and secretarial aspects of its own business, facilitating the smooth functioning of GWAMCO's business under the terms of the Services Agreement.

2. CHAIR'S REPORT

Dear Members,

It is my pleasure to present to you the annual report of Gascoyne Water Asset Mutual Co-operative Ltd (GWAMCO). As we reflect on the achievements and challenges of the past year, I am filled with gratitude for the collective commitment and resilience that defines our co-operative.

Our primary focus has always been on ensuring good investments of members' funds. We recognise that each contribution represents your hard work and trust in our co-operative. We are dedicated to making prudent investment decisions that serve the long-term interests of our members. Your financial well-being remains at the forefront of our mission.

In our pursuit of doing the best for our members, we continue to explore avenues for growth and sustainability. Your success is our ultimate goal, and we remain committed to maximising the value of your investments through strategic decisions and thoughtful planning.

We actively encourage all members to engage with us and to ask questions of their directors. Transparency and open communication are the cornerstones of a thriving co-operative. Your enquiries provide valuable insights and contribute to the robustness of our decision-making processes. We welcome and appreciate your active involvement in shaping the future of GWAMCO.

Maintaining a strong relationship between Gascoyne Water Co-operative (GWC) and GWAMCO is vital for the effective management of water resources in our region. The synergy between our entities is crucial, and we are working diligently to foster collaboration and open lines of communication. As we await the results of the feasibility study, we hope to move closer to the vision of becoming one unified entity, stronger and more resilient together.

Good asset management remains a key priority. Our commitment to safeguarding and enhancing the value of your assets is unwavering. We adhere to sound financial practices to ensure the stability and growth of our co-operative.

I would like to express my sincere gratitude to the current directors for their ongoing support to the industry. Their dedication and leadership have been instrumental in guiding GWAMCO through challenges and towards continued success. Their commitment to the well-being of our members is commendable, and we look forward to another year of collaboration and progress.

A heartfelt thank you also goes to our dedicated staff. Their hard work and commitment to doing right by members are the current driving forces behind our co-operative's success. We are fortunate to have such a dedicated team, and we extend our appreciation for their continued efforts.

In conclusion, we remain committed to the success and prosperity of Gascoyne Water Asset Mutual Co-operative Ltd. Together, we can overcome challenges and build a future that benefits each and every one of our members. Thank you for your trust and support.

Sincerely,

Domenico Condo

Chair of the Board

Gascoyne Water Asset Mutual Co-operative Ltd

3. BOARD OF DIRECTORS AT 30 JUNE 2023

Rodney Sweetman (Chairperson & Member Director)

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

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

Thank you again to Mr. Sweetman for his tireless efforts in shaping GWAMCO.

Domenico Condo (Member Director)

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

Mr. Condo’s involvement traces back to the Steering Committee that lead to the incorporation of GWAMCO in 2001. Mr. Domenico Condo served on the inaugural Board of Directors with his dedication spanning 15 years, including Chairing the organisation for 8 years.

Mr. Condo has been accumulating horticulture knowledge and experience since the early 1970s. His expertise extends to water trading and management schemes, shaped by his business endeavors in the Mildura district of Victoria. Notably, he steered a failing business to remarkable heights, transforming it into a successful producer of premium grapes, citrus, beans, carrots, melons, and other vegetables. This achievement culminated in him winning the inaugural Victorian New Business of the Year Award in 1994.

Mr. Condo also developed a thriving business in Carnarvon, starting from scratch in 1995 and evolving it into a table grape production facility spanning four sites. Mr. Condo is also a dedicated contributor to the Carnarvon community, actively participating in various business and community Boards and Committees since his arrival.

Anthony Vrankovich (Member Director)

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

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

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

4. GOVERNANCE & DIRECTORS' REPORT

Board Structure

In accordance with Rule 47.1, the Gascoyne Water Asset Mutual Co-operative (GWAMCO) is required to have a board structure comprising a minimum of three (3) and a maximum of five (5) Member Directors. Furthermore, as stipulated by Rule 47.2, the co-operative has the discretion to appoint up to four (4) Non-Member Directors, although, historically, no such appointments have been made. Presently, the GWAMCO Board adheres to historical precedent, comprising three (3) Member Directors. The co-operative remains within the specified range outlined by Rule 47.1.

Directors' Responsibilities

Directors are accountable to GWAMCO Members for the Co-operative's performance. In fulfilling their responsibilities, Board Members are committed to serving the interests of members 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 6 ordinary Board Meetings as detailed below.

Director Name	No. of Meetings	Meetings Attended	Directorship Period
Mr. Rodney Sweetman	6	6	01.07.2022 – 30.06.2023
Mr. Domenico Condo	6	5	01.07.2022 – 30.06.2023
Mr. Anthony Vrankovich	6	5	01.07.2022 – 30.06.2023

Directors’ and Officers’ Insurance and Deeds of Indemnity

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

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

Committees of the Board

No committees were established.

Directors' Benefits

Except for the remuneration outlined below and Note 15, no Director of the Co-operative has received or is entitled to receive any additional benefits.

No contracts have been entered into between the Co-operative and:

- A Director/s.
- An entity under a Director's control.
- An entity in which the Director holds a significant financial interest.

Directors' Interests

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

Director Name	A-Class Shares
Mr. Rodney Sweetman	5
Mr. Domenico Condo	45
Mr. Anthony Vrankovich	48

Director Remuneration

A change to Director remuneration was approved by Members at the Annual General Meeting held 15 November 2022. Please note that superannuation has historically been paid in addition to Director fees.

The fees payable for each position for the period before and after the change are listed below:

Position	Prior to 2022 AGM	Post 2022 AGM
Chair	$3,000	$15,000
Member Director	$6,000	$10,000

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

Director Name	Position	Directorship Period	Fees Paid
Mr. Rodney Sweetman	Chair	01.07.2022 – 30.06.2023	$18,676.43
Mr. Domenico Condo	Member Director	01.07.2022 – 30.06.2023	$ 8,270.18
Mr. Anthony Vrankovich	Member Director	01.07.2022 – 30.06.2023	$ 8,270.18

Disputes Panel

In adherence to Rule 85.1, the Disputes Panel appointed at the 2022 Annual General Meeting comprised of 7 members.

This panel includes 2 Directors and 5 members who are not Directors. The 5 members appointed to the panel are Denis Durmanich, James Coupar, Phillip Frzop, Anibal Rodrigues, and Zelko Borich.

Company Secretary

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

Company Secretary	Period
Mr. Dennis Wade	01.07.2022 – 30.06.2023

Proceedings

As of 30 June 2023, GWAMCO is not a party to any legal proceedings.

5. FINANCE REPORT

Key Performance Figures

Some key performance areas include:

Income:

- Increase in Sales Revenue by 1.09% to $783,505
- Increase in Total Income by 10.20% to $969,307

Assets:

- Decrease in Cash & Cash Equivalents - 80.67%
- Increase in Trade Receivables - 54.85%
- Increase in Current Assets - 5.45%

Liabilities:

- Decrease in Trade Payables - (69.45%)
- Provision for Impairment of Debtors - $2.962.00

Auditor

The Audited Financial Reports are an integral part of this Annual Report, and a presentation will be provided by Tim Partridge of AMD.

Your engagement in this presentation is encouraged as it will contribute to a clearer understanding of GWAMCO's financial performance, enabling Members to make fully informed decisions.

Members are encouraged to thoroughly review the Annual Financial Report and forward questions and queries to the auditor.

The auditor is appointed and serves Members. The auditor is able to present an opinion that is independent of the Board or Management, ensuring transparency.

Dividends, Distributions, Options and New Shares

During the year, Gascoyne Water Asset Mutual Co-operative (GWAMCO) did not distribute any dividends to its members. As a non-listed company, GWAMCO did not issue any options over unissued shares or interests to any Director or Officer during the year or since the year's conclusion.

This report is presented in accordance with a resolution passed by the Directors.

Gascoyne Water Asset Mutual Co-Operative Limited

ABN: 90 622 624 010

Financial Report

30 June 2023

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Gascoyne Water Asset Mutual Co-operative Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 $	2022 $
Sales revenue	3	**969,307**	879,613
Employee benefits expense	15	**(37,525)**	(23,100)
Depreciation expense	11	**(161,524)**	(159,860)
Service agreement		**(457,844)**	(410,483)
Insurance		**(45,498)**	(45,491)
Reversal of accrued transfer duty liability	20	**-**	367,523
Administration expense		**(51,596)**	(59,493)
Profit before income tax		**215,320**	548,709
Tax expense	5	**(13,710)**	(1,866)
Profit for the year		**201,610**	546,843
Total comprehensive income for the year		**201,610**	546,843

The accompanying notes form part of these financial statements.

Gascoyne Water Asset Mutual Co-operative Limited
Statement of financial position
As at 30 June 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**1,139,975**	5,898,932
Trade and other receivables	8	**58,993**	38,097
Financial assets at fair value through profit or loss	9	**5,081,845**	-
Other current assets	10	**34,490**	27,988
Current tax assets	13	**2,265**	26,068
TOTAL CURRENT ASSETS		**6,317,568**	5,991,085
NON-CURRENT ASSETS			
Trade and other receivables	8	**3,042,706**	3,042,706
Property, plant and equipment	11	**1,801,045**	1,906,927
Deferred tax assets	13	**-**	356
TOTAL NON-CURRENT ASSETS		**4,843,751**	4,949,989
TOTAL ASSETS		**11,161,319**	10,941,074
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**105,747**	90,045
TOTAL CURRENT LIABILITIES		**105,747**	90,045
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	**2,007**	-
TOTAL NON-CURRENT LIABILITIES		**2,007**	-
TOTAL LIABILITIES		**107,754**	90,045
NET ASSETS		**11,053,565**	10,851,029
EQUITY			
Issued capital	14	**31,182**	30,256
Retained earnings		**11,022,383**	10,820,773
TOTAL EQUITY		**11,053,565**	10,851,029

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 2023

	Note	Ordinary Share Capital	Retained Earnings (accumulated losses)	Total
		$	$	$
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
Balance at 1 July 2022		**30,256**	**10,820,773**	**10,851,029**
Profit for the year		**-**	**201,610**	**201,610**
Shares issued during the year	14	**4,500**	**-**	**4,500**
Shares brought-back during the year	14	**(3,574)**	**-**	**(3,574)**
Balance at 30 June 2023		**31,182**	**11,022,383**	**11,053,565**

The accompanying notes form part of these financial statements.

Gascoyne Water Asset Mutual Co-operative Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**782,537**	770,466
Payments to suppliers and employees		**(594,012)**	(558,656)
Income tax paid		**12,456**	(16,858)
Interest paid		**-**	-
Interest received		**-**	5,266
Rent received	3	**94,778**	99,202
Net cash provided by operating activities	17	**295,759**	299,420
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(55,642)**	-
Net cash provided by/(used in) investing activities		**(55,642)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**4,500**	3,928
Shares brought-back during the year		**(3,574)**	(1,452)
Proceeds from financial assets at amortised cost		**-**	3,228,779
Payments for financial assets at fair value through profit or loss		**(5,000,000)**	-
Net cash provided by/(used in) financing activities		**(4,999,074)**	3,231,255
Net increase/(decrease) in cash held		**(4,758,957)**	3,530,675
Cash at beginning of financial year		**5,898,932**	2,368,257
Cash at end of financial year	7	**1,139,975**	5,898,932

The accompanying notes form part of these financial statements.

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 22 February 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Co-operatives Act 2009.* The 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 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(t) Critical Accounting Estimates and Judgments

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

Allowance for expected credit losses

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

Revenue from contracts with customers involving sale of goods

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

Fair value measurement hierarchy

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

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

Estimation of useful lives of assets

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

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

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

Income tax

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

Recovery of deferred tax assets

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

Employee benefits provision

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

Note 3 Revenue and Other Income

	2023 $	2022 $
Sales revenue		
- Receipts from members	**783,505**	775,075
Finance income		
- Interest received	**91,024**	5,266
Other income		
- Rental revenue from property investment	**94,778**	99,202
- Sundry revenue	**-**	70
	969,307	879,613

Note 4 Expenses

	2023 $	2022 $
Expenses		
Accounting Fees		
- general accounting and tax	**14,320**	13,710
- additional one off services	**2,360**	357
Total accounting fees	**16,680**	14,067

Note 5 Income Tax Expense

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

	2023 $	2022 $
Current tax expenses		
- Local income tax - current period	**13,710**	1,866
Income tax expense for continuing operations	**13,710**	1,866

(b) Reconciliation of income tax to accounting profit

	2023 $	2022 $
Profit from ordinary activities	**215,320**	548,709
Applicable tax rate	**30%**	30%
Prima facie tax payable on ordinary activities	**64,596**	164,613
Add:		
Tax effect of		
- Non-deductible expenditure	**137,941**	35,312
	202,537	199,925
Less:		
Tax effect of		
- Non-taxable member income arising from principle of mutuality	**(234,988)**	(231,486)
- Timing differences	**46,161**	33,427
Income tax expense	**13,710**	1,866

Note 6 Auditor’s Remuneration

	2023 $	2022 $
Remuneration of the auditor for:		
- Auditing or reviewing the financial statements	**8,190**	7,980
	8,190	7,980

Note 7 Cash and Cash Equivalents

	2023	2022
	$	$
CURRENT		
Cash at bank and on hand	**1,139,975**	5,898,932
	1,139,975	5,898,932

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	**1,139,975**	5,898,932

Note 8 Trade and Other Receivables

	2023	2022
	$	$
CURRENT		
Member's receivables	**60,565**	56,026
Provision for impairment	**(2,962)**	(17,929)
	57,603	38,097
Other receivables	**1,390**	-
Total current trade and other receivables	**58,993**	38,097
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	**3,101,699**	3,080,803

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 $14,967 (2022: $3,924 reversal) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

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

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

	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

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

	2023	2022
	$	$
Opening balance	**17,929**	21,853
Unused amounts reversed	**(14,967)**	(3,924)
Closing balance	**2,962**	17,929

Note 9 Financial Assets at fair value through profit or loss

	2023	2022
	$	$
CURRENT		
Managed Investment - designated at fair value through profit or loss	**5,081,845**	-
	5,081,845	-

Reconciliation

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

	2023	2022
	$	$
Opening fair value	**-**	-
Additions	**5,000,000**	-
Interest earnings	**86,063**	-
Fees	**(4,218)**	-
Closing fair value	**5,081,845**	-

Note 10 Other Assets

	2023	2022
	$	$
CURRENT		
Prepayments	**33,188**	27,988
Accrued Interest	**1,302**	-
	34,490	27,988

Note 11 Property, Plant and Equipment

	2023	2022
	$	$
Land		
At fair value	**400,000**	400,000
Net carrying value	**400,000**	400,000
Buildings		
At fair value	**630,642**	575,000
Accumulated depreciation	**(45,212)**	(28,750)
Net carrying value	**585,430**	546,250
Total land and buildings	**985,430**	946,250
Plant and equipment		
At cost	**2,737,880**	2,737,880
Accumulated depreciation	**(1,922,265)**	(1,777,203)
Net carrying value	**815,615**	960,677
Total property, plant and equipment	**1,801,045**	1,906,927

(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 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
Additions	**-**	**55,642**	**-**	**55,642**
Depreciation expense	**-**	**(16,462)**	**(145,062)**	**(161,524)**
Carrying amount at 30 June 2023	**400,000**	**585,430**	**815,615**	**1,801,045**

Note 12 Trade and Other Payables

	2023	2022
	$	$
CURRENT		
Trade and sundry payables	**24,813**	81,213
Other Payables	**61,152**	**-**
Goods and services tax	**19,782**	8,832
	105,747	90,045

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

	2023	2022
	$	$
CURRENT		
Income tax payable / (receivable)	**(2,265)**	(26,068)
Total	**(2,265)**	(26,068)

	Opening Balance	(Charged)/ Credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
NON CURRENT	$	$	$	$	$	$
Deferred tax liability						
Other	-	-	-	-	-	-
Balance as at 30 June 2022	-	-	-	-	-	-
Other	**-**	**2,007**	**-**	**-**	**-**	**2,007**
Balance as at 30 June 2023	**-**	**2,007**	**-**	**-**	**-**	**2,007**
Deferred tax assets	$	$	$	$	$	$
Other	76	280	-	-	-	356
Balance as at 30 June 2022	76	280	-	-	-	356
Other	**356**	**(356)**	**-**	**-**	**-**	**-**
Balance as at 30 June 2023	**356**	**(356)**	**-**	**-**	**-**	**-**

Note 14 Issued Capital

	2023 $	2022 $
31,160 (2022: 30,234) fully paid ordinary shares	**31,182**	30,256
	31,182	30,256

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2021	27,758		27,780
Issue of Shares		3,928	$1	3,928
Shares brought-back		(1,452)	$1	(1,452)
Balance	30 June 2022	30,234		30,256
Issue of Shares		**4,500**	**$1**	**4,500**
Shares brought-back		**(3,574)**	**$1**	**(3,574)**
Balance	30 June 2023	**31,160**		**31,182**

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	2023 $	2022 $
Trade and other payables	12	**105,747**	90,045
Less cash and cash equivalents	7	**(1,139,975)**	(5,898,932)
Net debt		**(1,034,228)**	(5,808,887)
Total equity		**11,053,565**	10,851,029
Total capital		**10,019,337**	5,042,142

Note 15 Key Management Personnel Remuneration

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

	2023	2022
	$	$
Short-term employee benefits	**33,827**	21,000
Post-employment benefits	**3,698**	2,100
	37,525	23,100

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

	2023	2022
	$	$
Associated companies/individuals:		
Sale of goods and services	**31,108**	26,793
Sale of goods and services - Gascoyne Water	**12,000**	12,000
Sale of goods and services - Coral Coast Water	**18,362**	18,362
Purchase of goods and services - Gascoyne Water	**457,844**	410,483
Purchase of goods and services - Coral Coast Water	**1,212**	2,306
Loan Payment	-	-
	520,526	469,944
Amounts outstanding from related parties:		
Trade and other receivables - Gascoyne Water	**2,200**	1,100
Loans to associated entities	**3,042,706**	3,042,706
	3,044,906	3,043,806
Amounts payable to related parties:		
Trade and other payables- Gascoyne Water	**61,152**	53,447
Trade and other payables- Coral Coast Water	**(2)**	575
	61,150	**54,022**
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

	2023	2022
	$	$
a) Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	**201,610**	546,843
Non-cash flows in profit		
- Depreciation	**161,524**	159,860
- Bad and doubtful debts	**(14,967)**	(3,924)
- Managed investment income and expenses	**(81,845)**	
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase) in trade and other receivables	**(5,929)**	(4,679)
- (Increase) in other assets	**(6,502)**	3,067
- (Increase) in current tax assets	**23,803**	(14,711)
- (Increase) / decrease in deferred tax asset	**356**	(280)
- Increase in trade and other payables	**15,702**	(386,756)
- Increase / (decrease) in current tax liabilities	**-**	-
- Increase in deferred tax liability	**2,007**	-
Net cash provided by operating activities	**295,759**	299,420

Note 18 Contingent Liabilities

There were no known contingent liabilities at 30 June 2023.

Note 19 Events After the Reporting Period

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

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

No matter or circumstance has arisen since 30 June 2023 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 one receivable which as at 30 June 2023 owed the company $2,962 (5% of trade receivables) (2022: two receivables $17,929 (32% of trade receivables)). This receivable is outside their terms of trade and an impairment was made as at 30 June 2023 (2022: all of these receivables were outside of their terms of trade and an impairment was made as at 30 June 2022). 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:

	2023 $	2022 $
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.

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

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	-	**24,813**	**-**	**-**	**-**	**24,813**
Other payables	-	**19,782**	**-**	**-**	**-**	**19,782**
Total non-derivatives		**44,595**	**-**	**-**	**-**	**44,595**

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 2023

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

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

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

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

Director

Domenico Condo	Anthony Vrankovich
Dated this 28 Day of February 2024	Dated this 28 Day of February 2024

AMD

CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

Independent Member of BKR INTERNATIONAL

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 2023, the statement of comprehensive income, the statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the director's declaration.

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

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

Basis for 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 2021, 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 29th day of February 2024

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 2023 there have been no contraventions of:

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

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

AMD Chartered Accountants

TIM PARTRIDGE
Director

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