

ANNUAL REPORT

GASCOYNE WATER CO-OPERATIVE LTD

FOR THE PERIOD ENDING
30 JUNE 2026

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

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

CONTENTS

1. CHAIR’S REPORT	1
2. GENERAL MANAGERS REPORT	2
3. BOARD OF DIRECTORS AT 30 JUNE 2026	3
4. GOVERNANCE REPORT	4
5. OPERATIONS	8
6. FINANCE	9
7. SUBSEQUENT EVENTS & FUTURE DEVELOPMENTS	10
8. ANNUAL FINANCIAL STATEMENTS	12

1. CHAIR'S REPORT

Dear Members,

It is a pleasure to present another report as Chair of GWC.

2026 has been a tough year for many growers across the region with reliable water and a strong, financially sustainable Co-operative mattering more than ever. This year, GWC has continued to work on finalising projects, improving services for our members and planning for the future.

The Gascoyne Food Bowl Initiative has reached an important milestone, with the new connections now completed and we are now awaiting the proponents' uptake of shares in accordance with their agreements with DPIRD. This marks significant progress for the initiative and its potential contribution to sustainable regional development.

GWC have recently commissioned a new operating system to replace the ageing ET and REITA systems that will include a member portal where members can check their account and usage in real time, something we hope will add value to our Members and assist them with planning for their ongoing water requirements. We hope for this new Telemex system to be implemented in early 2027.

Strong corporate governance remains a priority for the GWC Board. A strategic planning workshop was held following the 2025 AGM to map GWC's priorities and future direction. We've also introduced an internal audit schedule aligned to our Board meeting calendar to ensure our legal and regulatory requirements are met. LogiQC supports our work on risk management and continuous improvement, and Directors and Officers Liability Insurance remains in place.

Work on the proposed amalgamation of GWC and GWAMCO is continuing with the application for tax exemption prepared for submission as part of this process, while the legal, operational and member implications are being considered.

GWC is working closely with stakeholders and consultants to review the Co-operative's financial position and identify sustainable ways to keep water affordable for members. A meeting with Ministers is planned for early November to discuss a pathway forward for the Co-operative. GWC is progressing the water licence renewal and has submitted an application to DWER for an additional 0.5 GL allocation from the Northern Borefield.

I'd like to thank my fellow Directors, the GWC team, our members, stakeholders and service providers for their work and support this year. I wish all our growers the best for the coming season.

Thank you for your continued support,

Paul Shain
Chair

Gascoyne Water Co-operative Ltd.

2. GENERAL MANAGERS REPORT

To our valued Members,

As we approach the 2026 Annual General Meeting, I'm pleased to share an overview of the progress made across Gascoyne Water Co-operative over the past year. Our work has continued to strengthen the organisation's systems and processes, support reliable operations and lay a sound foundation for the Co-operative's future.

Governance, compliance and financial management remain important priorities. Compliance remains sound and is an ongoing focus. Invoicing, receipting and the management of overdue accounts have improved significantly and we thank our Members for their prompt payment and for contacting us with any questions or issues they may experience.

We have continued to refine our Quality Management System and use the LogiQC platform to strengthen compliance, document control and reporting. Asset management also remains a strong focus, helping to support the reliability and longevity of the Co-operative's assets. We are continuing to work towards ISO accreditation.

We were pleased to finalise the work on the GFBI project this year and I'd like to thank the contractors involved for their hard work and contribution to completing the project.

We also continue to work closely with stakeholders on issues relating to the Co-operative's environmental and financial sustainability. These discussions help us consider the challenges ahead and make informed decisions for the long-term benefit of the Co-operative and its Members.

During 2027, we intend to place emphasis on member and community engagement and strengthen our connections across the region. We want to hear directly from Members about the issues they face, the matters that concern them and the opportunities they see for the future. Please get in touch to share your views or raise any questions or concerns. Open, ongoing conversations will help us understand Members' needs and ensure our work continues to support them.

I extend my sincere thanks to our dedicated, hardworking staff and service providers for their continued dedication and professionalism. I also thank the Board of Directors for its leadership and commitment to the Co-operative. To our Members, thank you for your ongoing support and engagement. We look forward to working with you in the year ahead.

Kind Regards,

Suzi Kent

General Manager

3. BOARD OF DIRECTORS AT 30 JUNE 2026

Paul Shain (Member Director/Chair)

Mr Paul Shain was appointed to the Board of Directors at the 2021 and 2024 Annual General Meetings. Paul was elected as Chair of GWC in April 2025. A second-generation grower, he brings 26 years of experience in the horticulture industry and a strong understanding of the challenges facing growers. He is committed to helping guide the Gascoyne Water Co-operative towards sustainable growth.

Paul's hands-on experience growing a diverse range of crops—including beans, strawberries, capsicums, eggplant, tomatoes, chillies and zucchini—has given him broad practical knowledge of the industry. He also contributes to the horticultural community through his involvement in industry committees and organisations. As Chair of Vegetables WA, he plays an active role in supporting growers and strengthening collaboration across the region.

Denis Durmanich (Member Director)

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

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

Saxon Boston (Member Director)

Mr Saxon Boston was appointed as a Member Director in March 2023. He brings 35 years of hands-on experience and deep knowledge of the Carnarvon Horticulture District and its irrigation network. His direct involvement in the Gascoyne Irrigation Pipeline Project and three years managing GWC field operations give him a practical understanding of the network, its infrastructure and the needs of its users.

As a director, Saxon takes a hands-on approach, drawing on his operational experience to contribute informed, practical perspectives to the Board's decisions. His background spans horticulture, earthmoving and utilities, including work for Water Corporation, Horizon Power, Telstra and GWC. He has also served two terms as a Shire of Carnarvon Councilor and worked in the UK and Northwest Africa, bringing broad industry and regional experience to his role.

Andrew Durmanich (Member Director)

Mr Andrew Durmanich is a long-standing primary producer in Carnarvon with over 30 years of experience in the industry. A former Director of GWAMCO and holder of a Business Diploma, Andrew brings valuable insight and practical knowledge to his role as a Member Director. He offers support and advice on water management and is dedicated to working on new ways to implement efficient on-farm water practices that address the challenges members face. Andrew is also focused on

planning for the future through infrastructure improvements to ensure consistent, high-quality water delivery, supporting the long-term sustainability and success of the cooperative and its members.

David Linder Patton (Non-Member Director)

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

David Swords (Non-Member Director)

Mr David Swords was endorsed as Non-member Director on the GWC Board at the 2024 AGM held on the 17th of April 2025. With a strong farming background, having spent his early years on the family farm in NSW before attending an agricultural boarding school for six years, David developed a lifelong connection to agriculture and rural business. He went on to complete a Bachelor of Economics (Accounting and Law) at the University of Sydney and began his professional career with seven years at EY, specialising in audit and tax. David then established and ran his own accounting practice in NSW for 20 years, focusing on tax and audit services for clients across a broad range of agricultural sectors—including sheep, cattle, cropping, cotton, dryland, and irrigation farming—as well as audits for more than 20 public hospitals and other government-funded corporations. After moving to Western Australia two decades ago, his accounting work has centred primarily on the audit of public companies. With a strong focus on corporate governance and organisational compliance, David works closely with the Corporate Services Team to ensure best practice and accountability across all operation

4. GOVERNANCE & DIRECTORS REPORT

Board Structure

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

The GWC Board currently consists of 4 Member Directors and 2 Non-Member Directors.. Director details, including their qualifications and experience, are available on the preceding pages.

Directors Responsibilities

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

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

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

The Board should also:

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

In order to satisfy these obligations, Directors:

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

Board of Directors Meetings

The Chairman, Co-operative Secretary, and Chief Executive Officer collaborate in setting meeting agendas to ensure comprehensive coverage of strategic, financial, and risk-related areas. Directors are expected to actively participate in Board Meetings and make independent decisions. During this reporting period, the Board convened a total of 14 ordinary Board Meetings as detailed below.

Director	No. of Meetings Attended	Period of Service
Mr. Paul Shain	9	11.04.2024 – 30.06.2026
Mr Denis Durmanich	9	22.11.2022 – 30.06.2026
Mr Saxon Boston	8	14.03.2024 – 30.06.2026
Mr Andrew Durmanich	7	17.04.2025 – 30.06.2026
Mr. David Linder Patten	9	17.04.2025 – 30.06.2026
Mr. David Swords	8	17.04.2025 – 30.06.2026

Directors and Officers Insurance and Deeds of Indemnity

In accordance with the Co-operative's Rules, Gascoyne Water Co-operative is required to indemnify its officers against any liabilities, costs, charges, losses, damages, and expenses incurred in the execution of their duties. The Rules also provide for the payment of Directors and Officers Liability

Insurance premiums, covering actions undertaken in good faith in the course of performing official responsibilities.

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

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

Directors' Benefits

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

- any Director;
- any entity controlled by a Director; or
- any entity in which a Director holds a significant financial interest.

Directors' Interests

The Directors' interests in the Co-operative's share capital as of 30 June 2026 are detailed below. The GWC Share Register is officially maintained at the GWC office, as mandated by Section 230(1)(a) of the *Co-operatives Act 2009 (WA)*.

<u>Director Name</u>	<u>A-Class Shares</u>	<u>C-Class Shares</u>
Mr. Paul Shain	500	72
Mr. Andrew Durmanich	500	54
Mr. Saxon Boston	500	770
(Forrest and Forrest)		
Mr. Denis Durmanich	500	132
Mr Andrew Durmanich	500	195

Director Remuneration

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

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

The below table shows the Director fees paid to the person who filled each Director position in the 2025-2026 financial year.

<u>Director Name</u>	<u>Position</u>	<u>Directorship Period</u>	<u>Fees Paid</u>
Mr Paul Shain	Chair/ Member Director	11.04.2024 – 30.06.2026	\$35,000.00
Mr Denis Durmanich	Member Director	01.07.2024 – 30.06.2025	\$15,000.00
Mr Saxon Boston	Member Director	01.07.2024 – 30.06.2025	\$15,000.00
Mr Andrew Durmanich	Member Director	17.04.2025 - 30.06.2025	\$15,000.00
Mr David Linder-Patten	Non-Member Director	14.04.2024 – 30.06.2024	\$25,000.00
Mr David Swords	Non-member Director	17.04.2025 – 30.06.2025	\$25,000.00

Disputes Panel

In adherence to Rule 98.1, the Disputes Panel appointed at the 2025 Annual General Meeting comprised of 7 members. This panel includes 1 Director and 5 members who are not Directors. Being Stan Kostanich, Anthony Vrankovich, Dean Richards, Dave Kearney and Markum Boston be elected to the Disputes Panel

Company Secretary

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

<u>Company Secretary</u>	<u>Period</u>
Belynda Dixon	25.10.2024 – 30.06.2026

Proceedings

As of 30th June 2026, GWC has not commenced any legal proceedings. GWC has an ongoing contractual dispute with an infrastructure manufacturer that it is hoped to be resolved without court proceedings.

5. OPERATIONS

GWC Employees - 1 July 2025 and 30 June 2026

Suzanne Kent	01.10.2024 – 30.06.2026	
Belynda Dixon	25.10.2024 – 30.06.2026	
Ellie Gliddon	01.05.2025 – 30.06.2026	
Lisa Sweetman	11.12.2023 – 30.06.2026	
Marija Vrankovich	09.10.2023 – 30.06.2026	
Total Staff Wages		\$282,050.24

Service Providers

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

Principal Activities

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

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

Fulfilling operational and regulatory obligations, including:

- Compliance with the Northern Borefield Operating Strategy
- Compliance with the Water Services Act and ERA Regulations.
- Delivery of services in accordance with the Service Agreement with Gascoyne Water Asset Mutual Co-operative Ltd
- Preparation and submission of compliance reports in line with monthly, quarterly, biannual, and annual requirements.
- Management of the Gascoyne Food Bowl Initiative (GFBI).

Water Charges

Based on projected revenue growth from the Co-operative's expanding operations—and in response to feedback from Members—we are pleased to confirm that water charges remained unchanged for the 2025 water year. This decision reflects our commitment to delivering value and cost stability for Members, while responsibly supporting future growth and ensuring the long-term sustainability of the Co-operative.

GWC Charge	Rate
Fixed charge	0.2041 cents per kilolitre allocated
Variable contribution	0.1122 cents per kilolitre delivered

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

6. FINANCE

The 2025 Financial Statements were significantly impacted by impairment loss reversal. The following table outlines the net profit / (loss) before income tax adjusted for impairment:

	2026	2025
Net Profit /(Loss) Before Income Tax	(257,074)	10,027,119
Add: Impairment Loss / (Reversal)	-	(9,799,000)
Adjusted Net Profit / (Loss) Before Income Tax	(257,074)	228,119

Prior year impairment losses of \$9,799,000 were reversed in the 2025 financial year. No impairment loss / (reversal) was brought to account based on the impairment assessment. Future cashflow forecasts reflect additional operating revenue being generated from share sales and additional water allocated to GFBI lots.

The 2026 loss was impacted by an increase in Maintenance, Operations and Inventory expenses of \$501,174 compared with the prior year. Other operating expenses decreased across payroll, consultants and administration.

Depreciation expense increased \$371,946 as a result of the 2025 impairment reversal.

Significant movements in the Statement of Financial Position from 2025, include:

1. A decrease in cash and cash equivalents of 169,503
2. A decrease in inventory of \$164,782
3. A decrease in property, plant and equipment of \$107,619 as a result of additions, offset by depreciation expense
4. Decreased borrowing from GWAMCO of \$70,733

Net Assets at 30 June 2026 were \$5,263,176.

Auditor

The audited financial statements are an important part of this Annual Report. Chassey Davids of Australian Audit will present the audit findings, and Members are encouraged to take part in the session and ask questions to better understand GWC's financial performance and position.

Members are also encouraged to review the Annual Financial Report and raise any questions with the auditor. Appointed independently by the Members, the auditor provides an objective assessment of the Co-operative's financial statements, supporting transparency and accountability in financial reporting.

Dividends, Distributions, Options and New Shares

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

1. SUBSEQUENT EVENTS & FUTURE DEVELOPMENTS

Board Leadership and Governance

Mr Paul Shain has served as Chair of GWC since October 2024. He brings a clear understanding of the Co-operative's strategic priorities and is committed to guiding GWC through its next stage of development and transformation.

As at 30 June 2026, the Board comprised four Member Directors and two Non-Member Directors. David Linder-Patton, appointed in April 2024, is a Chartered Management Accountant and a Member of the Australian Institute of Company Directors. He brings extensive financial and executive leadership experience. David Swords, endorsed at the AGM on 17 April 2025, holds a Bachelor of Economics in Accounting and Law and has extensive audit and accounting experience, including with agricultural businesses. Their appointments have broadened the Board's expertise and strengthened its oversight of financial performance, risk management and long-term planning.

In September 2026, Glenn Skender joined the Board as a casual Member Director. He brings extensive horticultural experience and valuable local knowledge to the role and has been a valuable addition to the Board.

Organisational Structure and Operational Improvements

During the current reporting year, Gascoyne Water Co-operative (GWC) continued to strengthen its governance, compliance and member engagement. The Corporate Services team maintained the streamlined operating structure, supporting efficient day-to-day administration and responsive service to members while retaining local skills and capability.

GWC operates with a small, efficient team led by the General Manager, who reports directly to the Board. This structure promotes clear accountability and enables the team to manage the Co-operative's day-to-day operations and deliver member services effectively and cost-efficiently.

The LogiQC Quality Management System continues to provide a consistent framework for governance and compliance across areas including asset management, regulatory reporting, compliance obligations, occupational health and safety, and document control. It supports clear accountability, reliable records and ongoing improvement.

GWC also focused on keeping members informed and engaged, recognising that clear communication and opportunities for member input are important to responsive decision-making and the Co-operative's long-term success.

Risk, Audit and Strategic Projects

During the reporting period, GWC continued to advance the proposed amalgamation with Gascoyne Water Asset Mutual Co-operative. As part of this process, an application for tax-exempt status has been prepared for submission to the Australian Taxation Office for consideration.

Following the November 2025 AGM, a strategic planning workshop was held to support the Co-operative's planning and future direction. This year, in the days following the AGM, Corporate Governance Training will be conducted and is a mandatory requirement for all Board Members.

Directors and Officers Liability Insurance remains in place, providing ongoing protection for Board members and senior management. An internal audit schedule has also been implemented alongside a corresponding Board meeting calendar to support regular oversight and monitoring of regulatory and legislative compliance.

Risk management and continuous improvement are managed through GWC's LogiQC Quality Management System, which provides a structured approach to identifying, monitoring and reviewing risks and improvement actions.

Operational and Financial Highlights

The Gascoyne Food Bowl Initiative (GFBI) connections have now been completed, supporting continued agricultural growth in the region. The associated share rollout is expected to commence shortly, marking an important next step for participating growers and the Co-operative.

Management continues to strengthen financial oversight, supported by dedicated accounts staff working closely with GWC's accountants. Aged receivables have improved substantially, with overdue accounts and water overuse addressed through communication with members. Improvements to invoicing and receipting are also helping members better understand their accounts.

GWC is working with stakeholders and consultants to assess options for the Co-operative's long-term sustainability. This work will help guide future decisions on water pricing, balancing the need for a reliable supply with affordability for Members. GWC is also awaiting renewal of its water licence and has an application underway for an additional 0.5 GL.

8. ANNUAL FINANCIAL STATEMENTS

**Gascoyne Water Co-operative Limited and
Controlled Entities**

ABN: 32 590 776 789

**Financial Report
30 June 2026**

Gascoyne Water Co-operative Limited and Controlled Entities
Contents
For the Year Ended 30 June 2026

Contents	Page
Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
Directors' declaration	35
Auditor's independence declaration	36
Independent auditor's report	37

Gascoyne Water Co-operative Limited and Controlled Entities
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated Group		Parent Entity	
		2026	2025	2026	2025
		\$	\$	\$	\$
Revenue					
Sales revenue	3	4,090,541	3,983,346	4,141,986	3,800,952
Other Revenue	3	158,384	188,297	308,480	257,561
Water Charges		(2,658,458)	(2,674,422)	(2,640,096)	(2,656,060)
Expenses					
Payroll expense		(321,780)	(348,204)	(321,780)	(348,204)
Depreciation and amortisation expense	4	(403,718)	(31,772)	(403,718)	(31,772)
Consultants		(38,461)	(219,675)	(38,461)	(219,675)
Writeback / (Loss) on debts written off	8	10,001	-	11,296	-
Impairment (loss) / reversal	4	-	9,799,000	-	9,799,000
Maintenance, operations and inventory		(535,093)	(33,919)	(535,093)	(33,934)
Administration expenses		(558,880)	(634,744)	(555,985)	(619,757)
Finance costs		390	(788)	(472)	(788)
Profit / (loss) before income tax		(267,074)	10,027,119	(33,843)	9,947,323
Income tax expenses	5	115,211	(2,317,162)	115,211	(2,317,162)
Profit / (loss) for the year		(141,863)	7,709,957	81,368	7,630,161
Profit for the year is attributable to:					
Members of the parent entity		(141,863)	7,709,957	81,368	7,630,161
		(141,863)	7,709,957	81,368	7,630,161

The accompanying notes form part of these financial statements

Gascoyne Water Co-operative Limited and Controlled Entities
Statement of financial position
As at 30 June 2026

	Note	Consolidated Group		Parent Entity	
		2026	2025	2026	2025
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	1,537,427	1,706,930	1,436,530	1,421,209
Trade and other receivables	8	490,892	518,796	471,853	485,463
Inventories	9	259,404	424,186	259,404	424,186
Financial assets at amortised cost	11	85,460	84,576	85,460	84,576
Other assets	10	326,369	266,422	477,169	392,482
TOTAL CURRENT ASSETS		2,699,552	3,000,910	2,730,416	2,807,915
NON-CURRENT ASSETS					
Financial assets	11	-	-	1	1
Property, plant and equipment	13	10,512,700	10,620,319	10,512,700	10,620,319
Right-of-use assets	14	7,172	11,328	7,172	11,328
Intangible assets	15	68	107	68	107
Deferred tax assets	16	1,852,702	1,764,396	1,852,702	1,764,396
TOTAL NON-CURRENT ASSETS		12,372,642	12,396,150	12,372,643	12,396,151
TOTAL ASSETS		15,072,194	15,397,060	15,103,059	15,204,067
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	17	1,123,161	1,194,878	1,115,451	1,186,541
Provisions	18	8,240	11,777	8,240	11,777
Lease liabilities	19	10,922	10,198	10,922	10,198
GFBI Funds Held in Trust	21	-	-	-	-
TOTAL CURRENT LIABILITIES		1,142,323	1,216,853	1,134,613	1,208,516
NON-CURRENT LIABILITIES					
Borrowings	20	6,028,829	6,099,562	6,028,829	6,099,562
Lease liabilities	19	9,692	20,614	9,692	20,614
Deferred tax liabilities	16	2,628,175	2,655,080	2,628,175	2,655,080
TOTAL NON-CURRENT LIABILITIES		8,666,696	8,775,256	8,666,696	8,775,256
TOTAL LIABILITIES		9,809,019	9,992,109	9,801,309	9,983,772
NET ASSETS		5,263,175	5,404,951	5,301,750	5,220,295
EQUITY					
Issued capital	22	91,250	91,163	92,100	92,013
Retained earnings		5,171,925	5,313,788	5,209,650	5,128,282
TOTAL EQUITY		5,263,175	5,404,951	5,301,750	5,220,295

The accompanying notes form part of these financial statements

Gascoyne Water Co-operative Limited and Controlled Entities
Statement of changes in equity
For the year ended 30 June 2026

	Note	Ordinary Shares \$	Retained Earnings \$	Total \$
Consolidated Group				
Balance at 1 July 2024		90,630	(2,396,169)	(2,305,539)
Comprehensive income				
Profit for the year		-	7,709,957	7,709,957
Shares issued during the year	22	10,790	-	10,790
Shares brought-back during the year	22	(10,257)	-	(10,257)
Balance at 30 June 2025		91,163	5,313,788	5,404,951
Balance at 1 July 2025		91,163	5,313,788	5,404,951
Comprehensive income				
Profit for the year		-	(141,863)	(141,863)
Shares issued during the year	22	5,058	-	5,058
Shares brought-back during the year	22	(4,971)	-	(4,971)
Balance at 30 June 2026		91,250	5,171,925	5,263,175

		Ordinary Shares \$	Retained Earnings \$	Total \$
Parent Entity				
Balance at 1 July 2024		91,480	(2,501,879)	(2,410,399)
Comprehensive income				
Profit for the year		-	7,630,161	7,630,161
Shares issued during the year	22	10,790	-	10,790
Shares brought-back during the year	22	(10,257)	-	(10,257)
Balance at 30 June 2025		92,013	5,128,282	5,220,295
Balance at 1 July 2025		92,013	5,128,282	5,220,295
Comprehensive income				
Profit for the year		-	81,368	81,368
Shares issued during the year	22	5,058	-	5,058
Shares brought-back during the year	22	(4,971)	-	(4,971)
Balance at 30 June 2026		92,100	5,209,650	5,301,750

The accompanying notes form part of these financial statements

Gascoyne Water Co-operative Limited and Controlled Entities
Statement of cash flows
For the year ended 30 June 2026

		Consolidated Group		Parent Entity	
		2026	2025	2026	2025
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES	Note				
Receipts from customers		4,048,914	4,822,136	3,962,871	4,888,171
Payments to suppliers and employees		(4,016,849)	(4,038,263)	(3,994,966)	(4,021,681)
Interest received		25,608	21,229	25,454	17,790
Interest paid		390	(788)	(472)	(788)
Net cash provided by/(used in) operating activities	25	58,063	804,314	(7,113)	883,492
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(415,096)	(149,231)	(415,096)	(149,231)
Proceeds on sale of property, plant & equipment		271,061	-	271,061	-
Payments for financial assets at fair value through profit or loss		(885)	(3,521)	(885)	(3,521)
Net cash provided by/(used in) investing activities		(144,920)	(152,752)	(144,920)	(152,752)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		5,058	10,790	5,058	10,790
Share buy-back payment		(4,971)	(10,257)	(4,971)	(10,257)
Proceeds from borrowings		-	1,176,856	-	1,176,856
Repayment of borrowings		(70,733)	(620,000)	(70,733)	(620,000)
Repayment of lease liabilities		(12,000)	(12,000)	(12,000)	-
Dividends paid to parent entity		-	-	250,000	(12,000)
Net cash provided by/(used in) financing activities		(82,646)	545,389	167,354	545,389
Net increase/(decrease) in cash held		(169,503)	1,196,951	15,321	1,276,129
Cash and cash equivalents at beginning of financial year		1,706,930	509,979	1,421,209	145,080
Cash and cash equivalents at end of financial year	7	1,537,427	1,706,930	1,436,530	1,421,209

The accompanying notes form part of these financial statements

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

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

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

The financial report was authorised for issue by the Directors on 23 October 2026.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

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

2 Material Accounting Policy Information

(a) Basis for consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Gascoyne Water Co-operative Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 12 to the financial statements.

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

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

(b) Income Tax

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

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

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

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

(c) Current and non-current classification

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

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

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

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

(d) Revenue recognition

Revenue from contracts with customers

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

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

Sale of goods

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

Interest

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

Dividend revenue

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

Other revenue

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

(e) Finance costs

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

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

(f) Goods and services tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

(g) Inventories

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

(h) Property, plant and equipment

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

Land and buildings

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

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

Plant and equipment

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

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

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

Depreciation

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

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

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

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Fixed asset class

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

(i) Right-of-use assets

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

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

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

(j) Investments and other financial assets

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

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

Financial assets at fair value through profit or loss

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

Financial assets at fair value through other comprehensive income

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

Impairment of financial assets

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

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

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

(k) Fair value measurement

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

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

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

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

(l) Impairment of non-financial assets

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

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

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

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

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

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

(m) Intangibles

Software

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

Amortisation

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

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

(n) Cash and cash equivalents

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

(o) Trade and other receivables

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

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

(p) Contract assets

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

(q) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

(r) Provisions

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

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

(s) Contract Liabilities

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

(t) Trade and other payables

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

(u) Borrowings

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

(v) Lease liabilities

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

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

(w) New or Amended Accounting Standards and Interpretations Adopted

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

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

(y) Critical Accounting Estimates and Judgments

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

Allowance for expected credit losses

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

Revenue from contracts with customers involving sale of goods

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

Fair value measurement hierarchy

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

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

Estimation of useful lives of assets

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

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

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

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

Recovery of deferred tax assets

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

Lease term

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

Incremental borrowing rate

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

Employee benefits provision

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 3 Revenue and Other Income

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
Sales revenue				
- Revenue from water sales	3,317,973	3,263,655	3,071,222	3,036,823
- GWAMCO service agreement	596,630	612,449	596,630	612,449
- Other trading revenue	147,869	91,918	196,218	139,794
	<u>4,062,473</u>	<u>3,968,022</u>	<u>3,864,070</u>	<u>3,789,066</u>
Finance Income				
- Interest received	28,068	15,324	27,915	11,886
- Dividend income	-	-	250,000	-
	<u>28,068</u>	<u>15,324</u>	<u>277,915</u>	<u>11,886</u>
Total revenue from sales	<u>4,090,541</u>	<u>3,983,346</u>	<u>4,141,986</u>	<u>3,800,952</u>
Other Income				
- Share sale revenue	-	77,100	-	347
- Water Corporation on Sale Fee	-	-	150,096	146,017
- New Connections reimbursements	158,384	111,197	158,384	111,197
	<u>158,384</u>	<u>188,297</u>	<u>308,480</u>	<u>257,561</u>

Note 4 Expenses

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

	Note	Consolidated Group		Parent Entity	
		2026	2025	2026	2025
		\$	\$	\$	\$
Expenses					
Accounting and Legal Fees					
- General accounting and tax		68,346	138,064	68,346	138,064
- Additional one off services		70,987	60,538	70,987	60,538
- Legal Fees		38,461	115,504	38,461	89,144
		<u>177,794</u>	<u>314,106</u>	<u>177,794</u>	<u>287,746</u>
Finance costs					
- Interest paid		(390)	788	472	788
		<u>(390)</u>	<u>788</u>	<u>472</u>	<u>788</u>
Impairment loss / (reversal)					
- Intangible assets (computer software)	15	-	(107)	-	(107)
- Right of use asset	14	-	(11,328)	-	(11,328)
- Property, plant and equipment	13	-	(9,787,565)	-	(9,787,565)
		<u>-</u>	<u>(9,799,000)</u>	<u>-</u>	<u>(9,799,000)</u>
Depreciation and amortisation expense					
- Property, plant and equipment	13	399,523	31,772	399,523	31,772
- Right-of-use asset	14	4,156	-	4,156	-
- Intangible assets (computer software)	15	39	-	39	-
		<u>403,718</u>	<u>31,772</u>	<u>403,718</u>	<u>31,772</u>
Leases					
- Interest expense on lease liabilities		1,802	2,478	1,802	2,478
		<u>1,802</u>	<u>2,478</u>	<u>1,802</u>	<u>2,478</u>

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2025

Note 5 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
Profit from ordinary activities	(257,074)	10,027,119	(33,843)	9,947,323
Applicable tax rate	25%	25%	25%	25%
Prima facie tax payable on ordinary activities	(64,269)	2,506,780	(8,461)	2,486,831
Add:				
Tax effect of				
- Temporary differences	(50,942)	(189,618)	(106,750)	(169,669)
	(50,942)	(189,618)	(106,750)	(169,669)
Less:				
Tax effect of				
- Other allowable items	-	-	-	-
Income tax expense	(115,211)	2,317,162	(115,211)	2,317,162

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
CURRENT				
Income tax payable	-	-	-	-
	-	-	-	-

Note 6 Auditor's Remuneration

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial statements	17,500	16,630	17,500	16,630
	17,500	16,630	17,500	16,630

Note 7 Cash and Cash Equivalents

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
CURRENT				
Cash at bank and on hand - Unrestricted	1,537,427	1,706,930	1,436,530	1,421,209
	1,537,427	1,706,930	1,436,530	1,421,209

The effective interest rate on short-term bank deposits was 3.60% (2025 2.99%).

Reconciliation of cash

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

Cash and cash equivalents	1,537,427	1,706,930	1,436,530	1,421,209
	1,537,427	1,706,930	1,436,530	1,421,209

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 20 for further detail.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 8 Trade and Other Receivables

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
CURRENT	\$	\$	\$	\$
Trade receivables	430,620	476,197	412,951	441,408
Provision for impairment	(19,999)	(30,000)	(18,704)	(30,000)
	<u>410,621</u>	<u>446,197</u>	<u>394,247</u>	<u>411,408</u>
Other receivables	80,271	72,599	77,606	74,055
Total current trade and other receivables	<u>490,892</u>	<u>518,796</u>	<u>471,853</u>	<u>485,463</u>

(a) Allowance for expected credit losses

There was no movement in expected credit losses for the year ended 30 June 2025 (nil movement prior year).

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

	Expected credit loss rate 2026	Carrying amount 2026	Allowance for expected credit losses 2026
Consolidated - 2026	%	\$	\$
Not overdue	0.0%	290,337	-
0 to 3 months overdue	0.0%	86,631	-
Over 3 months overdue	37.3%	53,652	19,999
		<u>430,620</u>	<u>19,999</u>

	Expected credit loss rate 2025	Carrying amount 2025	Allowance for expected credit losses 2025
Consolidated - 2025	%	\$	\$
Not overdue	0.0%	196,217	-
0 to 3 months overdue	0.0%	83,479	-
Over 3 months overdue	15.3%	196,501	30,000
		<u>476,197</u>	<u>30,000</u>

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

	2026	2025
Consolidated	\$	\$
Opening balance	30,000	30,000
Additional provisions recognised	-	-
Receivables written off during the year as uncollectable	(10,001)	-
Closing balance	<u>19,999</u>	<u>30,000</u>

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 8 Trade and Other Receivables (Cont)

	Expected credit loss rate 2026	Carrying amount 2026	Allowance for expected credit losses 2026
	%	\$	\$
Parent - 2026			
Not overdue	0.0%	268,934	-
0 to 3 months overdue	0.0%	89,412	-
Over 3 months overdue	34.3%	54,605	18,704
		<u>412,951</u>	<u>18,704</u>

	Expected credit loss rate 2025	Carrying amount 2025	Allowance for expected credit losses 2025
	%	\$	\$
Parent - 2025			
Not overdue	0.0%	195,498	-
0 to 3 months overdue	0.0%	73,653	-
Over 3 months overdue	17.4%	172,257	30,000
		<u>441,408</u>	<u>30,000</u>

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

	2026	2025
Parent	\$	\$
Opening balance	30,000	30,000
Receivables written off during the year as uncollectable	(11,296)	-
Closing balance	<u>18,704</u>	<u>30,000</u>

Note 9 Inventories

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
CURRENT	\$	\$	\$	\$
At cost:				
Consumables	259,404	424,186	259,404	424,186
	<u>259,404</u>	<u>424,186</u>	<u>259,404</u>	<u>424,186</u>

Note 10 Other Assets

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
CURRENT	\$	\$	\$	\$
Prepayments	37,493	41,985	37,493	41,985
Accrued Income	288,876	224,437	439,676	350,497
	<u>326,369</u>	<u>266,422</u>	<u>477,169</u>	<u>392,482</u>

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 11 Financial Assets at amortised cost

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
CURRENT				
Financial assets at amortised cost - term deposits	85,460	84,576	85,460	84,576
	<u>85,460</u>	<u>84,576</u>	<u>85,460</u>	<u>84,576</u>

The effective interest rate on long-term bank deposits was 3.25% (2024 4.99%).

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
NON-CURRENT				
Financial assets at fair value through other comprehensive income - investment in subsidiaries	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

Note 12 Composition of the Group

	Percentage Owned ^a	Percentage Owned ^a
	2026	2025
Name of subsidiary and place of business	%	%
Coral Coast Water Pty Ltd - Australia	100%	100%

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 13 Property, Plant and Equipment

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
Plant and Equipment:				
- At cost	624,842	624,842	624,842	624,842
- Accumulated depreciation	(377,814)	(357,587)	(377,814)	(357,587)
- Accumulated impairment losses	(187,466)	(187,466)	(187,466)	(187,466)
	<u>59,562</u>	<u>79,789</u>	<u>59,562</u>	<u>79,789</u>
Land and Buildings:				
- At cost	223,754	482,623	223,754	482,623
- Accumulated depreciation	(981)	(329)	(981)	(329)
- Accumulated impairment losses	(117,108)	(252,785)	(117,108)	(252,785)
	<u>105,665</u>	<u>229,509</u>	<u>105,665</u>	<u>229,509</u>
Leasehold improvements				
- At cost	85,932	85,932	85,932	85,932
- Accumulated depreciation	(29,501)	(28,915)	(29,501)	(28,915)
- Accumulated impairment losses	(33,565)	(33,565)	(33,565)	(33,565)
	<u>22,866</u>	<u>23,452</u>	<u>22,866</u>	<u>23,452</u>
Irrigation Asset				
- At cost	24,298,843	23,883,746	24,298,843	23,883,746
- Accumulated depreciation	(2,626,006)	(2,247,947)	(2,626,006)	(2,247,947)
- Accumulated impairment losses	(11,348,230)	(11,348,230)	(11,348,230)	(11,348,230)
	<u>10,324,607</u>	<u>10,287,569</u>	<u>10,324,607</u>	<u>10,287,569</u>
Total property, plant and equipment	<u>10,512,700</u>	<u>10,620,319</u>	<u>10,512,700</u>	<u>10,620,319</u>

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 13 Property, Plant and Equipment (Cont)

Movements in carrying amounts

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

	Land and Buildings \$	Plant and Equipment \$	Irrigation Assets \$	Leasehold Improvements \$	Total \$
Consolidated Group					
Balance at 1 July 2024	738	2,135	712,422	-	715,295
Additions	-	6,486	142,745	-	149,231
Depreciation expense	(148)	(2,679)	(28,945)	-	(31,772)
Impairment loss	228,919	73,847	9,461,347	23,452	9,787,565
Carrying amount at 30 June 2025	229,509	79,789	10,287,569	23,452	10,620,319
Additions	-	-	415,096	-	415,096
Disposals	(123,192)	-	-	-	(123,192)
Depreciation expense	(652)	(20,227)	(378,058)	(586)	(399,523)
Impairment (loss) / reversal	-	-	-	-	-
Carrying amount at 30 June 2026	105,665	59,562	10,324,607	22,866	10,512,700

Impairment Testing

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

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

The following key assumptions were used in the discounted cash flow model for the consolidated entity:

- (a) 6.54% pre-tax discount rate;
- (b) 2.5% per annum projected revenue growth rate.
- (c) 2.0% per annum increase in operating costs and overheads

The discount rate of 6.54% pre-tax reflects managements estimate of the time value of money and the consolidated entity's weighted average cost of capital and the risk free rate.

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

There were no other key assumptions for the consolidated entity.

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 14 Right-of-use assets

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
Land and buildings - right-of-use	74,212	74,212	74,212	74,212
Accumulated depreciation	(17,159)	(13,003)	(17,159)	(13,003)
Accumulated impairment losses	(49,881)	(49,881)	(49,881)	(49,881)
	7,172	11,328	7,172	11,328

Movements in carrying amounts

	\$
Consolidated Group	
Balance at 1 July 2024	-
Impairment reversal	11,328
Carrying amount at 30 June 2025	11,328
Depreciation expense	(4,156)
Carrying amount at 30 June 2026	7,172

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

Impairment Testing

Details of impairment testing of the consolidated entity as a cash generating unit are outlined at Note 13.

Note 15 Intangible Assets

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
Computer software				
Cost	210,439	210,439	210,439	210,439
Accumulated amortisation	(206,569)	(206,530)	(206,569)	(206,530)
Accumulated impairment losses	(3,802)	(3,802)	(3,802)	(3,802)
Net carrying amount	68	107	68	107
Total intangibles	68	107	68	107

Movements in carrying amounts

	\$
Consolidated Group	
Balance at 1 July 2024	-
Impairment reversal	107
Carrying amount at 30 June 2025	107
Amortisation expense	(39)
Carrying amount at 30 June 2026	68

Impairment Testing

Details of impairment testing of the consolidated entity as a cash generating unit are outlined at Note 13.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 16 Deferred Tax Assets and Liabilities

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
CURRENT				
Income tax payable	-	-	-	-
Total	-	-	-	-

Note 17 Trade and Other Payables

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
CURRENT				
Trade payables	1,017,022	1,102,679	1,012,551	1,098,690
Other payables	106,139	92,199	102,900	87,851
	1,123,161	1,194,878	1,115,451	1,186,541

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.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 18 Provisions

Analysis of Provisions

CURRENT

Annual Leave

Opening balance at 1 July 2025

Additions

Used

Balance at 30 June 2026

Consolidated Group		Parent Entity	
2026	2025	2026	2025
\$	\$	\$	\$
11,777	16,426	11,777	16,426
27,992	27,452	27,992	27,452
(31,529)	(32,101)	(31,529)	(32,101)
8,240	11,777	8,240	11,777

Note 19 Lease liabilities

Current

Non current

Consolidated Group		Parent Entity	
2026	2025	2026	2025
\$	\$	\$	\$
10,922	10,198	10,922	10,198
9,692	20,614	9,692	20,614
20,614	30,812	20,614	30,812

Refer to note 29 for further information on financial instruments.

Note 20 Borrowings

NON-CURRENT

Pipeline Loan - GWAMCO

Total non-current borrowings

Total borrowings

Consolidated Group		Parent Entity	
2026	2025	2026	2025
\$	\$	\$	\$
6,028,829	6,099,562	6,028,829	6,099,562
6,028,829	6,099,562	6,028,829	6,099,562
6,028,829	6,099,562	6,028,829	6,099,562

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

Refer to note 28 for further information on financial instruments.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 21 GFBI Funds Held in Trust

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
DPIRD Funding	560,000	560,000	560,000	560,000
Sand Spear Trial	(30,519)	(30,519)	(30,519)	(30,519)
GFBI Bore Development Stage 2 (early access)	(520,351)	(520,351)	(520,351)	(520,351)
DPIRD Funding - GISAM	(9,130)	(9,130)	(9,130)	(9,130)
	-	-	-	-

The Gascoyne Water Co-operative Limited and the Gascoyne Water Asset Mutual Co-operative Limited (collectively known as Gascoyne Water) have entered into a collaborative funding agreement (the Agreement) with the State of Western Australia (the State) through its Department of Primary Industries and Regional Development (the Department) for:

1. Operation of Gascoyne Food Bowl Initiative (GFBI) Borefield;
2. Governance and Operational Improvement; and
3. Financial Advice.

For the Period 1 January 2018 to 30 June 2026.

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

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

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

Refer to Note 27 for further details.

Note 22 Issued Capital

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
A class shares	83,020	83,020	83,520	83,520
C class shares	8,230	8,143	8,580	8,493
	91,250	91,163	92,100	92,013

Movements in 'A class' share capital - consolidated group

Details	Date	Shares	Issue Price	\$
Balance	1 July 2024	83,000		83,000
Issue of Shares		4,000	\$1	4,000
Shares brought-back		(3,980)	\$1	(3,980)
Balance	30 June 2025	83,020		83,020
Issue of Shares		4,600	\$1	4,500
Shares brought-back		(4,500)	\$1	(4,500)
Balance	30 June 2026	83,020		83,020

Movements in 'C class' share capital - consolidated group

Details	Date	Shares	Issue Price	\$
Balance	1 July 2024	7,608		7,630
Issue of Shares		6,790	\$1	6,790
Shares brought-back		(6,277)	\$1	(6,277)
Balance	30 June 2025	8,121		8,143
Issue of Shares		558	\$1	558
Shares brought-back		(471)	\$1	(471)
Balance	30 June 2026	8,208		8,230

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 22 Issued Capital (Cont)

Movements in 'A class' share capital - parent entity

Details	Date	Shares	Issue Price	\$
Balance	1 July 2024	83,500		83,500
Issue of Shares		4,000	\$1	4,000
Shares brought-back		(3,980)	\$1	(3,980)
Balance	30 June 2025	<u>83,520</u>		<u>83,520</u>
Issue of Shares		4,500	\$1	4,500
Shares brought-back		(4,500)	\$1	(4,500)
Balance	30 June 2026	<u>83,520</u>		<u>83,520</u>

Movements in 'C class' share capital - parent entity

Details	Date	Shares	Issue Price	\$
Balance	1 July 2024	7,958		7,980
Issue of Shares		6,790	\$1	6,790
Shares brought-back		(6,277)	\$1	(6,277)
Balance	30 June 2025	<u>8,471</u>		<u>8,493</u>
Issue of Shares		558	\$1	558
Shares brought-back		(471)	\$1	(471)
Balance	30 June 2026	<u>8,558</u>		<u>8,580</u>

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 23 Key Management Personnel Remuneration

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

	2026	2025
	\$	\$
Short-term employee benefits	277,836	307,502
Other long-term benefits	3,250	3,133
Post-employment benefits	27,994	30,084
	<u>309,080</u>	<u>340,719</u>

Short-term employee benefits

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

Other long-term benefits

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

Post-employment benefits

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

Other KMP Transactions

Refer to Note 24 for further detail of other related KMP transactions

Note 24 Related Party Transactions

The Group's main related parties are as follows:

Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 23: Key Management Personnel Remuneration.

Entities Subject to significant influence by the Co-operative

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

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 24 Related Party Transactions (Cont)

	Coral Coast Water		Gascoyne Water	
	2026	2025	2026	2025
	\$	\$	\$	\$
Associated companies/individuals:				
Sale of goods and services	-	77,147	369,663	382,401
Sale of goods and services- Coral Coast Water	-	-	311,185	282,667
Sale of goods and services - Gascoyne Water Asset Mutual	447	1,786	596,630	612,449
Purchase of goods and services	-	-	-	2,750
Purchase of goods and services - Gascoyne Water Asset Mutual	(18,362)	(18,362)	(12,000)	(12,000)
Purchase of goods and services - Gascoyne Water	(311,185)	(282,554)	-	-
Dividend Paid - Coral Coast Water	(250,000)	-	-	-
Dividend received - Gascoyne Water	-	-	250,000	-
Repayment of Loans to associated entities - Gascoyne Water	-	-	(70,733)	-
Loan Proceeds - Gascoyne Water Asset Mutual	-	-	-	1,176,856
	(579,100)	(221,982)	1,444,745	2,445,124
Amounts outstanding from related parties:				
Trade and other receivables	-	-	23,007	7,138
Trade and other receivables - Coral Coast Water	-	-	5,589	-
Trade and other receivables - Gascoyne Water Asset Mutual	218	-	-	80,312
Repayment of Loans to associated entities - Gascoyne Water	-	-	-	-
	218	-	28,596	87,450
Amounts payable to related parties:				
Trade and other payables	-	-	26,925	561
Trade and other payables- Gascoyne Water Asset Mutual	-	-	-	-
Trade and other payables- Gascoyne Water	5,589	-	-	-
Loans from associated entities - Gascoyne Water Asset Mutual	-	-	6,028,829	6,099,562
	5,589	-	6,055,754	6,100,123
Shares held				
Gascoyne Water Co-operative Limited shares held by Coral Coast Water Pty Ltd - A Class	-	-	500	500
Gascoyne Water Co-operative Limited shares held by Coral Coast Water Pty Ltd - C Class	-	-	350	350
Coral Coast Water Pty Ltd held by Gascoyne Water Co-operative Limited	1	1	-	-
Gascoyne Water Asset Mutual Co-operative Limited held by Coral Coast Water Pty Ltd	110	110	-	-
Gascoyne Water Asset Mutual Co-operative Limited held by Gascoyne Water Co-operative Limited - A Class	-	-	240	240

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 25 Cash Flow Information

	Consolidated Group		Parent Entity	
	2026	2025	2026	2025
	\$	\$	\$	\$
(a) Reconciliation of cash flows from operating activities with				
Profit / (loss) after income tax	(141,863)	7,709,957	81,368	7,630,161
Non-cash flows in profit				
- depreciation and amortisation	403,718	31,772	403,718	31,772
- bad and doubtful debts	(10,001)	-	(11,296)	-
- (profit)/loss on disposal of assets	(147,869)	-	(147,869)	-
- interest on lease liabilities	1,802	2,478	1,802	2,478
- impairment loss / (reversal)	-	(9,799,000)	-	(9,799,000)
- dividends received	-	-	(250,000)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
- (increase)/decrease in trade and other debtors	37,905	152,001	24,906	312,573
- (increase)/decrease in other assets	(59,946)	510,934	(84,687)	526,089
- (increase)/decrease in inventories	164,782	(232,716)	164,783	(232,716)
- (increase)/decrease in deferred tax asset	(88,306)	(182,917)	(88,305)	(182,917)
- increase/(decrease) in trade and other payables	(71,717)	116,374	(71,091)	99,621
- increase/(decrease) in deferred taxes payable	(26,905)	2,500,080	(26,905)	2,500,080
- increase/(decrease) in provisions	(3,537)	(4,649)	(3,537)	(4,649)
Net cash provided by operating activities	<u>58,063</u>	<u>804,314</u>	<u>(7,113)</u>	<u>883,492</u>

Note 26 Contingent Liabilities

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

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

There were no known contingent liabilities at 30 June 2026 in relation to the above indemnities.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 27 Events After the Reporting Period

Gascoyne Foodbowl Initiative (GFB)

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

This Heads of Agreement requires the 2017 Collaboration Grant Funding Agreement between GWC and DPRID to continue. The provision of an instrument is required to grant legal access to the GFB lands as required for the Department of Water and Environmental Regulation (DWER) groundwater licensing requirements to maintain Gascoyne Water Asset Mutual Co-Operative Ltd's Water Licences.

Installation of the new connections for the GFB development were completed in August 2026 with C Class Shares scheduled to be issued to the GFB proponents in the 2027 (1,480 shares) and 2028 (1,383 shares) financial years.

Gascoyne Irrigation System Augmentation and Modernisation Project (GISAM)

In June 2021 GWC successfully applied to the National Water Gateway Authority (NWGA) for co-funding grants for a number of projects under the headline project of the Gascoyne Irrigation System Augmentation and Modernisation Project (GISAM). On 22 January 2022 a Funding Assistance Agreement (FAA) was executed between GWC and DPIRD. DPIRD are the responsible state government agency for handling grant monies and reporting to the NWGA on the project outcomes. In total, \$2.4m of funding was granted, all funds have been received by the end of 30 June 2025.

Output 1 of the GISAM project is the equipping and commissioning of the GFB borefield. Construction of the GISAM project began in September 2023. The deadline of 31 December 2023 was delayed due to issues with materials. GWC has commenced legal proceedings in order to recover payments for defective work. The amount potentially recoverable is substantial with reasonable prospects of recovery, with the defendants insurance company assessing the claim. This matter is still ongoing as at the date of this report.

Single Entity

A feasibility study has been undertaken to explore the possibility of GWC and GWAMCO becoming a single entity and an application for income tax exemption is being prepared. This matter is still ongoing as at the date of this report.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the group's operations the results of those operations, or the group's state of affairs in future financial years.

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 28 Financial Instruments

Financial risk management objectives

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

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

Market risk

Foreign currency risk

The group is not exposed to any foreign currency risk.

Price risk

The group is not exposed to any significant price risk.

Credit risk

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

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

The group has a credit risk exposure with six receivables which as at 30 June 2026 owed the group \$59,390 (14% of trade receivables) (2025 owed the group \$30,579 (7% of trade receivables)). These receivables are outside their terms of trade and an impairment was made as at 30 June 2026 (2025: these receivables were outside of their terms of trade and an impairment was made as at 30 June 2025). There are no guarantees against these receivables but management closely monitors the receivables balance on a monthly basis and is in regular contact with these receivables to mitigate risk.

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

Gascoyne Water Co-operative Limited and Controlled Entities

Notes to the financial statements

For the year ended 30 June 2026

Note 28 Financial Instrument (Cont)

Liquidity risk

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

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

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2026	2025
	\$	\$
Bank overdraft	-	-
Bank loans	-	-
	-	-

Remaining contractual maturities

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

Consolidated - 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,194,878	-	-	-	1,194,878
Loan - GWAMCO (Pipeline)	-	-	-	-	6,099,562	6,099,562
<i>Interest bearing - fixed rate</i>						
Lease liability	7.1%	12,000	9,960	-	-	21,960
Total non-derivatives		1,206,878	9,960	-	6,099,562	7,316,400

Consolidated - 2026	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,123,161	-	-	-	1,123,161
Loan - GWAMCO (Pipeline)	-	-	-	-	6,028,829	6,028,829
<i>Interest bearing - fixed rate</i>						
Lease liability	7.1%	9,960	-	-	-	9,960
Total non-derivatives		1,133,121	-	-	6,028,829	7,161,950

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

Fair value of financial instruments

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

Gascoyne Water Co-operative Limited and Controlled Entities
Notes to the financial statements
For the year ended 30 June 2026

Note 29 Capital Commitments

	Consolidated	
	2026	2025
	\$	\$
Contracted for:		
- capital expenditure projects	-	317,706
	-	317,706
Payable:		
- not later than one year	-	317,706

Gascoyne Water Co-operative Limited and Controlled Entities
Directors' Declaration
For the year ended 30 June 2026

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

1. The financial statements and notes for the year ended 30 June 2026 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 2026 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Paul Shain

Dated 23 October 2026



Saxon Boston

Dated 23 October 2026

DIRECTORS:

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

**AUSTRALIAN
AUDIT** 

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA
FAZ BASHI RCA, CPA

AUDITOR'S INDEPENDENCE DECLARATION

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

In accordance with the requirements of the Co-operatives Act 2009 (WA), in relation to our audit of the financial report of Gascoyne Water Co-operative Limited and controlled entities for the year ended 30 June 2026, to the best of my knowledge and belief, there have been:

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

Australian Audit



Chassey Davids, CA, RCA, AMIIA, BCom
Registered Company Auditor number 490152
Director
Australian Audit
Perth, Western Australia
Date: 23 October 2026

Australian Audit is a CA Practice

PO Box 3336, EAST PERTH, WA 6892 | 17 WITTENOOM STREET, EAST PERTH, WA 6004
(08) 9218 9922 | INFO@AUSAUDIT.COM.AU | WWW.AUSTRALIANAUDIT.COM.AU | ABN: 63 166 712 698

Liability limited by a scheme approved under Professional Standards Legislation



Trade mark of Chartered Accountants Australia and New Zealand and used with permission

DIRECTORS:

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

AUSTRALIAN
AUDIT 

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA
FAZ BASHI RCA, CPA

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial report of Gascoyne Water Co-operative Limited and controlled entities (the entity), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- a. giving a true and fair view of the entity's financial position as at 30 June 2026, and of its financial performance and its cash flows for the year then ended; and
- b. complying with the Co-operatives Regulations 2010 (WA); and
- c. the accounting records and other records, and the registers required by the Co-operatives Act 2009 (WA) to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act; and
- d. we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- e. complying with Australian Accounting Standards.

Basis for Opinion

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

We confirm that the independence declaration required by the Co-Operatives Act 2009 (WA), which has been given to the Board of Directors of the entity, would be in the same terms if given to the Board of Directors as at the time of this auditor's report.

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

Australian Audit is a CA Practice

PO Box 3336, EAST PERTH, WA 6892 | 17 WITTENOOM STREET, EAST PERTH, WA 6004
(08) 9218 9922 | INFO@AUSAUDIT.COM.AU | WWW.AUSTRALIANAUDIT.COM.AU | ABN: 63 166 712 698



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Australian Audit

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

Australian Audit

Perth, Western Australia
Date: 23 October 2026

DIRECTORS:

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

**AUSTRALIAN
AUDIT** 

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA
FAZ BASHI RCA, CPA

AUDITOR'S INDEPENDENCE DECLARATION

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

In accordance with the requirements of the Co-operatives Act 2009 (WA), in relation to our audit of the financial report of Gascoyne Water Co-operative Limited and controlled entities for the year ended 30 June 2026, to the best of my knowledge and belief, there have been:

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

Australian Audit



Chassey Davids, CA, RCA, AMIIA, BCom
Registered Company Auditor number 490152
Director
Australian Audit
Perth, Western Australia
Date: 23 October 2026

Australian Audit is a CA Practice

PO Box 3336, EAST PERTH, WA 6892 | 17 WITTENOOM STREET, EAST PERTH, WA 6004
(08) 9218 9922 | INFO@AUSAUDIT.COM.AU | WWW.AUSTRALIANAUDIT.COM.AU | ABN: 63 166 712 698

Liability limited by a scheme approved under Professional Standards Legislation



Trade mark of Chartered Accountants Australia and New Zealand and used with permission

DIRECTORS:

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

AUSTRALIAN
AUDIT 

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA
FAZ BASHI RCA, CPA

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial report of Gascoyne Water Co-operative Limited and controlled entities (the entity), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- giving a true and fair view of the entity's financial position as at 30 June 2026, and of its financial performance and its cash flows for the year then ended; and
- complying with the Co-operatives Regulations 2010 (WA); and
- the accounting records and other records, and the registers required by the Co-operatives Act 2009 (WA) to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act; and
- we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- complying with Australian Accounting Standards.

Basis for Opinion

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

We confirm that the independence declaration required by the Co-Operatives Act 2009 (WA), which has been given to the Board of Directors of the entity, would be in the same terms if given to the Board of Directors as at the time of this auditor's report.

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

Australian Audit is a CA Practice

PO Box 3336, EAST PERTH, WA 6892 | 17 WITTENOOM STREET, EAST PERTH, WA 6004
(08) 9218 9922 | INFO@AUSAUDIT.COM.AU | WWW.AUSTRALIANAUDIT.COM.AU | ABN: 63 166 712 698



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Australian Audit

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

Australian Audit

Perth, Western Australia
Date: 23 October 2026