



APRIL 2020 TO JUNE 2021
ANNUAL REPORT

ETON IRRIGATION CO-OPERATIVE LTD



Our History

When drought ravaged the sugar industry in the Mackay region in the 1960s, grower organisations lobbied the Queensland Government to invest in water storage infrastructure to avoid a repeat of the hardship it caused.

In 1975, the Queensland Government approved the establishment of the Eton Irrigation Area. The development of the Eton Irrigation Scheme occurred progressively over the following decade, after construction of the Kinchant Dam (Stage 1).

The scheme was designed to supplement rainfall by harvesting water from the Pioneer River and storing it for later distribution to the 300 sugar cane farms within its area.

In late 2016, the Queensland Government set up Eton Irrigation and appointed a transition Board to negotiate and investigate a local management proposal with the Queensland Government and ultimately, if accepted by the Board and the Customers, to become the owner and operator of the Irrigation Scheme.

In December 2019 a proposal (Offer Document) put to the Eton Irrigation members was accepted by over 85% of the Water Allocation holders by volume. In March 2020, Eton Irrigation Pty Ltd came into being and took over ownership and operation of the system.

Today, cane is no longer the sole crop grown in the area as some farms have moved into growing other crops. In addition, the scheme is now also used to transport water for the Hay Point and Dalrymple Bay Coal Loading Facilities.

Currently, the Eton Water Supply Scheme has over 300 customers.

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ABOUT US

Eton Irrigation is a co-operative owned by the members, whose vision is:

To be a long-term viable water delivery business for members in the Eton Irrigation Scheme

Eton Irrigation supplies water to over 300 customers across 15,000ha through 35km of channel, 6 pump stations, 8 balancing storages, over 150km of pipelines and 577 farm outlets.

51,900ML of Water Allocation is held by landholders within the Eton Irrigation footprint.

Our water is supplied from Kinchant Dam which is owned and operated by Sunwater. Sunwater fills Kinchant Dam using the Mirani Pump Station from the Mirani Weir in the Pioneer River, pumping into the Mirani Diversion Channel which flows into the dam.

The EICL Board is composed of 3 Member Directors and up to 2 Independent Directors. The Member Directors serve for a 3-year term with one Member Director being up for election every year. The Independent Directors are nominated by the Member Directors and endorsed by the members at the AGM.

The functioning of the co-operative is governed by a set of registered rules – a copy of these rules is available on the website (www.etonirrigation.com.au) on the Customer Information page (Eton Irrigation Constitution).

The main office for EICL is located at 11 Flaherty Street, Eton and correspondence can be sent to PO Box 226, Eton Qld 4741. EICL can be contacted on 07 4977 5850 or info@etonirrigation.com.au

Water ordering can be done by leaving a message on 07 4977 5840.

DIRECTOR'S REPORT

Board Members**Lee Blackburn, Chair / Member Director**

Lee is an experienced company director with a long-term association with the sugar industry and irrigation in Eton. He is a director on the boards of Mackay Sugar Limited, Mackay Area Productivity Services and Queensland Commodity Services (QCS). From 2003 to 2010, he served as a board member on the Canegrowers Area Committee Mackay and was a member of the Sunwater Advisory Committee for the Eton scheme.

Lee has built strong networks and gained extensive knowledge in the irrigation sector and was involved with the implementation of the Resource Operational Plan, which secured a sustainable irrigation source for the Mackay region. He has managed his irrigation property in Eton since 1993. A strong advocate for Eton water users, he was the Treasurer of the Kinchant Dam Water Users

Association and held various officer bearer positions since 2011.

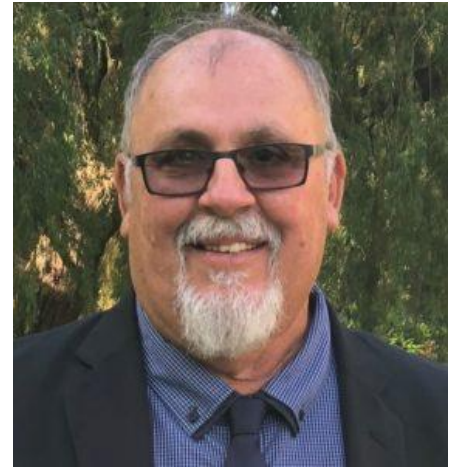
Josephine Prior, Deputy Chair / Member Director

An experienced irrigator of 30 years, and a Bachelor of Business Administration graduate, Jo has been a long-term advocate for customers and stakeholders of the Eton district. Committed to maintaining the future sustainability of the Eton scheme, Jo was the President of the Kinchant Dam Water Users Association Inc., 2012 - 2020. On behalf the elected committee and water users, she represented irrigators' concerns and consulted with Sunwater, Industry organisations and Government participants. Jo has experience in the governance of cooperative organisations having served as director and chair of the Capgrains Cooperative Association Limited in Rockhampton. She has demonstrated engagement and communication skills, representing the Eton scheme on the Stage 1 of the LMA process, a director on the Stage 2 Eton Interim Board and Stage 3 Eton Transitional Board.



John Muscat, Member Director

John has been a successful Eton grower and businessman over the past 45 years, building a vast knowledge of all aspects of the irrigation industry and strong relationships with water users. An active representative of growers in local and state forums, John has been a member of the Eton Irrigation Advisory Committee since its inception, serving 14 years as chairman. He was vice chairman of the Kinchant Dam Water Users Association Incorporated. An operator during the construction stage of the Eton scheme, he represented the scheme in consultations over the first and subsequent price paths. John was a director on the Stage 2 Eton LMA Board.



John Palmer, Independent Director



A civil engineer, John has held senior management positions within government and statutory authorities for more than 40 years with a primary focus on the water industry. As the inaugural manager of the Pioneer Valley Water Board he gained extensive experience in the establishment of administration, financial and engineering systems for governance of locally managed schemes. During his time at Pioneer Valley Water Board since 1997, he has demonstrated his ability to develop and maintain effective working relationship with customers and stakeholder groups.

A former area manager for the Department of Natural Resources, he has extensive experience in planning construction and operation of irrigation infrastructure. A strong advocate for locally-based decision making, John was involved in Stage 1 and was a director on the Stage 2 Eton LMA Board.

Tom Wallwork, Independent Director

Tom is a civil engineer who has held senior management positions in Queensland water organisations for more than 30 years. He has extensive experience leading and managing staff in the planning, design, construction, operation and management of irrigation schemes and, as a former senior manager with Sunwater, Tom has direct experience managing water supply schemes in the Burdekin and Eton. He also has skills in the management and negotiation of bulk water supply contracts and practical skills in commercial business case development. His early career with government organisations has provided a detailed understanding of the Water Act as it applies to irrigation and water supply schemes in Queensland.



CHAIR'S REPORT

Offer Document

The Offer Document approved by Eton Irrigation members in December 2019 details price paths, budget, operational and asset maintenance expectations. It is treated as a benchmark reference for the early years of the Co-operative by both the Board and management.

Thank you to Transition Board and staff

A huge amount of work was completed by the transition Board and contractors in the lead up to the transition in March 2020 that enabled the transition to proceed smoothly. Thank you to:

- Transition Board (current EICL Board) – Jo Prior, John Muscat, John Palmer and Tom Wallwork
- Geoff Kavanaugh
- Transition Manager Dave Gilbert
- Legal Adviser Sian Thomas
- Financial Adviser Therese Scotton from Bennett and Partners (now SBB)
- and the others who assisted

Governance

A key focus of the Board has been to ensure all the Governance arrangements are in place and operating successfully. The primary document that starts this work is the RULES FOR ETON IRRIGATION COOPERATIVE LTD (EICL's constitution). A lot of policies and processes then hang off the Rules and have been built over the last 18 months.

The Directors have performed their role rigorously and diligently for the benefit of the Co-operative Members.

Investment Policy

One of the major decisions of the Board has been to invest the financial reserves of EICL rather than just park them in Term Deposits. Those reserves are predominantly the separation payments provided by the Qld government at the transition.

An investment policy was developed by the Board to ensure that EICL achieves a reasonable return at a timing suited to EICL's cash flow needs, with only a reasonable and prudent level of risk. The policy is robust, considered, ensures continuity during times of Board personnel change, and should have a calming effect to refocus on the objectives when investment markets might otherwise cause emotionally driven investment transactions.

In line with the Investment Policy, JB Were were duly appointed as the investment managers for EICL. Their performance is assessed annually as set out in the Investment Policy. The performance of the investments and the performance of JB Were in the first 12 months has been assessed as very good.

Governance Review

In line with the Board's focus on Governance, a Governance Review was conducted by Directors Australia in July this year. As part of that review, a workshop was held with all the Directors, the GM and the Finance Manager focusing on the roles and responsibilities of everyone.

Directors Australia identified that most of EICL's governance arrangements and systems were suitable for purpose. They also provided a list of recommendations in areas that needed improvement. Those recommendations have been or are being implemented.

Key Documents on Website

Most of the key EICL documents (and others) are accessible on the website for our members:

- RULES FOR ETON IRRIGATION COOPERATIVE LTD (Constitution)
- Offer Document
- Scheme Distribution Rules
- Standard Customer Distribution Contract
- EICL fees and charges
- Trading forms
- The buy & sell water For Sale Register
- Past Newsletters
- Director's Biographies

- History and Scheme information
- Contact details

Weather and allocations last year

Last year the water allocations commenced at 65% on April 1 eventually reaching 100% on January 1. This year they opened at 63% and currently sit at 91%.

The first half of 2021 was a bit drier than is normally expected at that time of year. Yields for sugar cane and other crops have been up on previous years with increased commodity prices occurring during the second half of 2021.

Water Pricing

The fees and charges levied by EICL have so far continued along the price path set out in the Offer Document. The ambition that the Board has set management, is to achieve good financial results so that the fees and charges can eventually be lower than the Offer Document price path benchmark.

Member and Customer engagement

EICL continues to regularly communicate to members through our newsletters and website. An information meeting was held for Members on the 24th of March this year. EICL has also attended Kinchant Dam Water Users Association and Canegrower meetings.

Government Advocacy

EICL continues to advocate to government directly and through the QFF Water and Energy Policy Committee. To date, our main focus has been on water and electricity pricing and related QCA reviews. We have also been lobbying the Energy Minister about tariff changes that occurred at transition that we were unaware of at the time.

We have met with Federal or State Ministers or shadow Ministers when any opportunities have arisen.

Safety – Time lost due to injuries

EICL has a commitment to safety for our staff, Directors, Members, customers, contractors, and others as captured in our safety motto:

Everybody Home Safe, Every Day.

Since transition, there have been no injuries (short, medium or long term). The safety systems continue to perform with safety meetings held regularly, safety inspections completed regularly and hazards, near misses and incidents being reported. The success so far has been due to vigilance and that needs to continue in the future.

Future, long-term plans

The EICL Board has been exploring ways to deliver the appropriate levels of service at the lowest possible costs. Targeted investment in assets and systems to reduce costs are being actively considered by the Board, particularly around operation of the pumps. Reducing costs and looking for other income streams is a constant focus of the Directors.

The Directors will continue to work together with management to deliver for the members and customers of Eton Irrigation Co-operative Ltd.

Thanks Jo

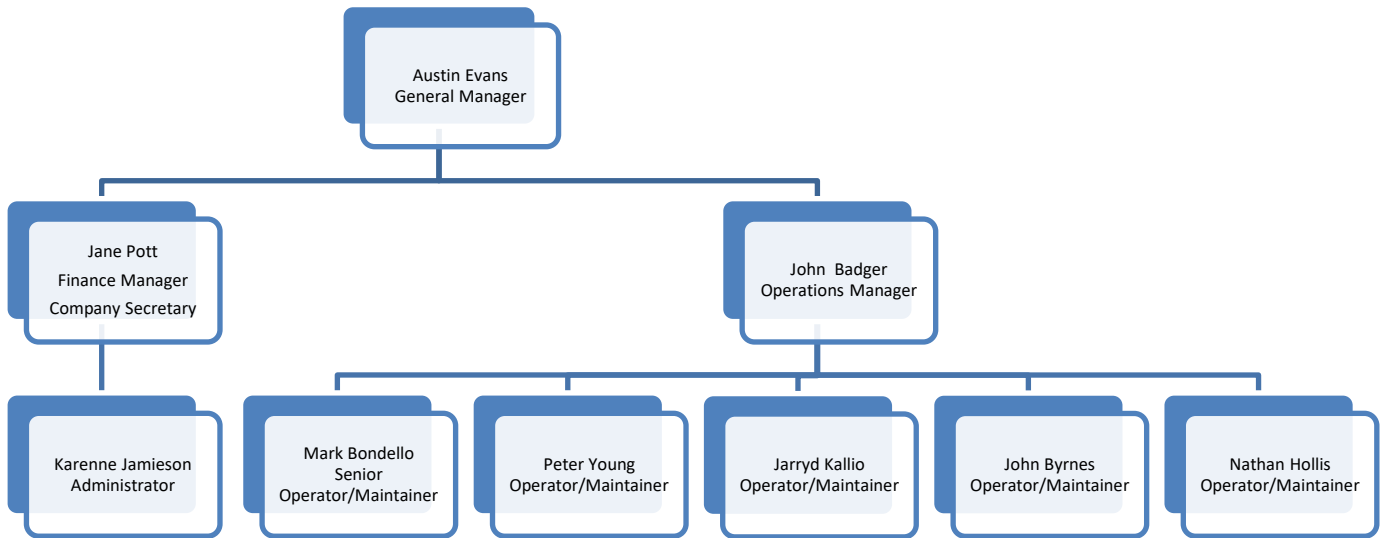
On behalf of the Eton Irrigation Board, I would like to thank retiring Deputy Chair Jo Prior for her commitment in bringing Local Management to Eton irrigation customers. Jo's role as Chair of KDWUA started and led the process which took an enormous amount of her time. As Deputy Chair of the transition Board, she brought LMA from an ambition and turned it to a reality.



Lee Blackburn
Chair

OUR PEOPLE

ORGANISATION CHART



General Manager – Austin Evans

Austin started with Eton Irrigation in March 2020, 2 weeks prior to the transition from SunWater to Eton Irrigation. He has a Bachelor’s Degree in Agricultural Engineering (USQ) and has spent most of his career working in the irrigation industry, including 2 years in the Burdekin with DNR (pre SunWater) and 13 years at Coleambally Irrigation Co-operative Ltd in southern NSW. Austin grew up on a dryland sheep/wheat farm in southern NSW and has also spent time working as an NSW MP, a Mayor, farm labourer, tourist officer, church youth worker, author/researcher for the Kondinin Group and running his own small businesses.



Finance Manager & Company Secretary – Jane Pott

Jane worked for SunWater in various roles within the region for 19 years (commenced 6-8-2001) prior to transferring across to Eton Irrigation. She holds a Diploma in Business(accounting), Diploma in Frontline Management, and Diploma in Project Management and provides Eton Irrigation with a very wide range of skills and experience. Jane comes from a rural background of western Queensland and prior to working for Sunwater has worked for 20 years in the banking sector. Jane is also involved With a community housing association and has been a board member of CASA Mackay for over 5 years



Operations Manager – John Badger

John worked for SunWater and its predecessors for 34 years (commenced 22-1-1986) mainly at Eton prior to transferring across to Eton Irrigation. He has a huge wealth of experience in the operation and maintenance of the system.



Senior Operator/Maintainer – Mark Brondello

Mark worked for SunWater for 9 years (originally commenced 3-9-2007 left 30-3-2012 re-joined 23-3-2015) at Eton. He has a Certificate IV in Engineering MEM 40103, is a qualified Meter Validator and Installer and holds a Cert 3 in Business. Mark has also owned and operated a farm in the Eton Irrigation Scheme.

Operator/Maintainer – Peter Young

Peter worked for SunWater for 7 years (commenced 29-7-2013) at Eton. He is a qualified mechanic and holds a Cert3 in Water Operation and Water Treatment Plant Operations. Peter previously owned and operated a garage in Walkerston.

Operator/Maintainer – Jarryd Kallio

Jarryd worked for SunWater for 3 years (commenced 21-11-2016) at Eton. He is a qualified auto electrician.

Operator/Maintainer – John Byrnes

John worked for SunWater and its predecessors for 41 years (commenced 26-6-1978) mainly at Eton. John has worked extensively in the maintenance side of the scheme and has an incredible amount of experience in this area.

Operator/Maintainer – Nathan Hollis

Nathan worked as a labour hire contractor for SunWater for 2 years at Eton prior to the transition. He went permanent with EICL in July 2020 and is a qualified plumber.

Administrator – Karenne Jamieson

Karenne previously worked for SunWater (commenced 16-12-2019) at Eton and has worked in administration all her working life. Karenne is also a qualified Justice of the Peace.

GENERAL MANAGER'S REPORT

COVID & EICL

EICL started operations under the cloud of COVID restrictions, with SunWater instituting COVID arrangements at the Eton office on the 16th March 2020 (the day I started working for EICL), 2 weeks before the transition. Thankfully, the impact in the Mackay Region and on EICL has been quite limited. The EICL Board and management continue to have in place arrangements to limit its impact on the co-operative. These are likely to be tested in the next year or two as Queensland and Australia open up and COVID inevitably comes to the region.

Setting up EICL and systems

A substantial part of the work of the Board and staff over the last 18 months has been to complete the transition & build new systems. Under SunWater, all the business functions were done out of Brisbane. Consequently, new systems had to be created and bedded down into working systems for:

- Financial System & Invoicing
- Banking & Payments
- IT
- Communications - email & text
- Phones
- Vehicles
- Water Management System & Water Transfer Processes
- Asset Management System
- Website
- WHS Systems
- Policies

All this was done whilst continuing to run operations, repairs & the business. A big thank you to Jane Pott who oversaw the bulk of this work and the rest of the staff for assisting Jane to make it work.

Water Delivery System Performance

In the 2020/21 water year Eton Irrigation delivered 16,760ML to farms of an available 51,900ML (32.3%) – about average compared to the previous 10 years.

The water delivery system continues to perform well. There were some breakdowns and leak repairs that caused interruptions, but most of these were fixed quickly.

Financial Performance

The first 15 months for EICL (to 30th June 2021) constitute the first financial reporting period for the co-operative. The Budget for this period was based largely on the numbers from the Offer Document and the best estimates of costs made in the first few months.

Compared to budget, the costs were slightly higher than expected whilst the income was in line with expectations. Better than expected results from the Investments resulted in the Balance Sheet at the end of year being higher than expected.

Solar System for Office

A solar photovoltaic system has been installed at the Eton Irrigation office in Flaherty St as a cost saving measure. It is performing as hoped which should see the savings pay for the system within 3-5 years (20-25 year expected life).

The funding for the installation was provided by the Kinchant Dam Water Users Association from surplus funds from their member levies.

Asset Maintenance

EICL continues to maintain and repair the infrastructure assets to keep the water delivery system running smoothly. EICL has adopted an asset management software package called MEX. It has performed well in managing the assets, identifying regular proactive maintenance, and recording reactive maintenance.

The largest single project completed was the replacement of 600m of PVC pipe with HDPE pipe on Victoria Plains Lateral 4. This section had a history of leaks requiring repairs that have cost more than a new pipeline over the last 20 years. This infrastructure investment should result in significant savings and service improvements over the long term.

Staff

All former Eton SunWater staff moved across to Eton Irrigation at the transition date.

Michael Patterson retired in July 2020 – the only employee to leave to date.

Four of the staff have worked for many years between SunWater, its predecessors and Eton Irrigation with three passing significant milestones since the transition:

- John Byrnes has worked for over 43 years
- John Badger reached 35 years in January this year
- Jane Pott reached 20 years in August this year
- Mark Brondello reached 10 years in August last year

Congratulations to those four and thank you for your years of service.

System improvements

EICL will continue to refine its systems to reduce costs and serve the needs of its Members. We are looking to expand our SCADA system to gather more information allowing the system to be operated better. In rolling out this new equipment we are hastening slowly to ensure the equipment is fit for purpose and value for money.



Austin Evans
General Manager

DECLARATION OF INTEREST

In the Directors' opinion:

- (a) the financial statements and notes set out in this report are in accordance with the *Corporations Act 2001* (Cth), including:
- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Cooperation will be able to pay its debts as and when they become due and payable, and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Board will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in the Cooperative structure.

The Directors have been given the declarations by the General Manager and Finance Manager required by section 295A of the *Corporations Act 2001* (Cth).

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



Lee Blackburn
Chair
2nd November 2021

NOTICE OF APPOINTMENT OR CESSATION OF APPOINTMENT OF DIRECTORS AND OFFICERS

Jo Prior has decided to resign as a Member Director of Eton Irrigation Co-operative Ltd. An election will be held to determine her replacement.

SECTION 3

OUR FINANCES

FINANCIAL STATEMENTS

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

TAX ADJUSTMENT SCHEDULE
FOR THE YEAR ENDED 30TH JUNE 2020

Net Profit/(Loss) as per Profit & Loss Statement	(471,901)
Add:	
Entertainment Expenses	70
Movement in Provisions for Leave	157,273
	157,343
	(314,558)
Less:	
No Adjustments	-
TAXABLE INCOME	\$ (314,558)

TAX ADJUSTMENT SCHEDULE
FOR THE YEAR ENDED 30TH JUNE 2020

Net Profit/(Loss) as per Profit & Loss Statement	(415,731)
Add:	
Taxable Distribution JBWere Investments	300,405
Entertainment Expenses	3,285
Prepayments - 2020	19,780
Movement in Provisions for Leave	2,940
Superannuation Payable 2021	898
Accounting Depreciation - Buildings	3,668
Accounting Depreciation - Other	134,471
	465,447
	49,716
Less:	
Prepaid Insurance - 2021	115,616
Accounting Distribution JBWere Investments	381,564
Tax Depreciation - Buildings	3,668
Tax Depreciation - Temporary Full Expensing	168,166
Capital Expenditure on Water Facilities	110,247
	779,261
TAXABLE INCOME	\$ (729,544)

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

CARRIED FORWARD LOSSES SCHEDULE
FOR THE YEAR ENDED 30TH JUNE 2021

Carried Forward TAX Losses:			
Prior Year Losses:			
	2015 and earlier	-	
	2016	-	
	2017	-	
	2018	-	
	2019	-	
	2020	314,558	314,558
Add:			
Current Year Loss:	2021	729,544	
			1,044,102
Add:			
Tax Loss amount from Conversion of			
Excess Franking Credits	2021	76,570	
			1,120,672
Less:			
Losses Claimed This Year:	2021	-	
<i>Total Losses to Carry Forward -</i>			1,120,672

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

RENTAL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Property Name(S)			
Rent Received		-	2,753.72
19 Flaherty Street, Eton			
Rent Received		13,136.00	-
Less Expenses			
Agents Fees And Commissions		1,179.00	-
Repairs And Maintenance		1,487.36	-
Rates - Council		1,128.40	-
Rates - Water		433.95	-
Sundry Expenses		32.50	-
		4,261.21	-
Gross profit		8,874.79	-
21 Flaherty Street, Eton			
Rent Received		13,146.00	-
Less Expenses			
Agents Fees And Commissions		1,200.60	-
Repairs And Maintenance		902.35	-
Rates - Council		1,128.40	-
Rates - Water		433.95	-
Sundry Expenses		32.50	-
		3,697.80	-
Gross profit		9,448.20	-
11 Flaherty Street, Eton			
Rent Received		10,725.00	-
GROSS PROFIT FROM RENTAL ACTIVITIES		29,047.99	2,753.72

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021 \$	2020 \$
INCOME			
Gross profit from rental activities		29,047.99	2,753.72
Interest Received	2	115,882.46	504.34
Other Revenue		610.00	1,300.50
Government Subsidies	3	318.00	-
Income Distributions - JBWere Investments		215,520.67	-
Income Net of Foreign Tax Paid JBWere		197,480.66	-
Realised and unrealised gains/losses - JBWere		(31,437.70)	-
Gross profit from trading	4	<u>2,705,758.04</u>	<u>498,011.52</u>
		<u>3,233,180.12</u>	<u>502,570.08</u>
LESS EXPENDITURE			
Bank Charges		1,597.09	250.81
Cleaning		714.54	545.82
Contract Work	5	321,864.93	9,749.86
Computer Expenses		40,941.71	11,390.81
Consumables		22,086.16	-
Depreciation		138,138.64	915.00
Directors' Fees		51,951.11	6,363.63
Distribution Losses Fixed		560,337.80	140,084.45
Distribution Losses Usage		34,987.94	-
Electricity		524,740.65	86,574.48
Employees Wage Deduction		10,509.52	3,945.69
Entertainment Expenses		3,285.22	70.03
Freight And Cartage		12,399.18	922.60
Fringe Benefits Tax		3,494.92	-
Fuel And Oil		26,662.20	1,580.62
General Expenses		194.61	4,030.98
Hire Of Plant And Equipment		72,157.79	42,547.92
Insurance	6	55,708.50	118,340.97
Investment Expenses - JBWere		50,439.84	-
Legal Costs		3,527.00	4,000.00
Licensing Fees		1,586.12	697.35
Materials & Supplies	7	151,447.46	28,987.26
Printing And Stationery		4,391.63	587.48
Protective Clothing		1,336.18	686.32
Provision for Employee Entitlements		2,940.14	157,273.49
Rates And Taxes		6,226.10	-
Registration Fees	8	14,054.45	823.11
Repairs And Maintenance	9	440,546.31	70,358.36
Subscriptions	10	13,890.20	5,500.00
Superannuation Contributions	11	155,438.11	38,912.55
Tax & Accountancy Fees		8,470.00	10,651.00
Telephone		15,248.92	-
Training		9,436.82	-
Vehicle Leases		67,584.31	13,725.65

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
Wages	12	817,551.51	214,955.22
Water Charges		203.53	-
Workplace Health & Safety Purchases		<u>2,819.67</u>	<u>-</u>
		3,648,910.81	974,471.46
		<u>(415,730.69)</u>	<u>(471,901.38)</u>
NET OPERATING PROFIT (LOSS)		<u>(415,730.69)</u>	<u>(471,901.38)</u>
Retained Profits (accumulated losses) at the beginning of the financial year		<u>(471,901.38)</u>	<u>-</u>
TOTAL AVAILABLE FOR APPROPRIATION (DEFICIT)		<u>(887,632.07)</u>	<u>(471,901.38)</u>
RETAINED PROFITS (ACCUMULATED LOSSES) AT THE END OF THE FINANCIAL YEAR		<u>(887,632.07)</u>	<u>(471,901.38)</u>

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Business Account		108,238.66	98,406.40
NAB Business Cash Maximiser		75.70	750,504.34
NAB Term Deposit		-	1,000,000.00
Suncorp Term Deposit		-	12,000,000.00
JBWere Growth Account		11,963,185.59	-
JBWere Liquid Account		1,872,146.62	-
Goods and services tax	13	89,429.25	38,292.81
Trade Receivables		165,194.00	21,580.80
Debtor - JBWere Income Declared but not Paid		61,907.43	-
Inventory - Materials		445,535.10	227,762.85
Prepayments		-	19,780.00
Prepaid Insurance		115,616.10	-
		<u>14,821,328.45</u>	<u>14,156,327.20</u>
NON-CURRENT INVESTMENTS			
DRP Residual - JBWere		20,705.14	-
		<u>20,705.14</u>	<u>-</u>
FIXED ASSETS			
Property, plant and equipment	14	286,052.98	145,779.00
		<u>286,052.98</u>	<u>145,779.00</u>
TOTAL ASSETS		<u>15,128,086.57</u>	<u>14,302,106.20</u>
CURRENT LIABILITIES			
Other Creditor - Fringe Benefits Tax Payable		3,494.92	-
Sundry Creditors		-	2,652.10
Trade Creditors		183,682.76	35,812.73
Trade Creditors - Customer Overpayment		-	1,142.40
Remserv Payable - Payroll		613.98	2,966.60
PAYG Withholding Payable		49,461.00	46,186.00
Superannuation Payable		898.36	-
Provision For Annual Leave		102,870.24	93,633.82
Provision For Long Service Leave		206,381.01	199,491.40
Provision For Sick Leave		114,791.51	125,998.60
Provision for Time Off In Lieu		5,814.22	5,234.28
Unrealised Gains/Losses - JBWere		1,086,820.99	-
		<u>1,754,828.99</u>	<u>513,117.93</u>
TOTAL LIABILITIES		<u>1,754,828.99</u>	<u>513,117.93</u>
NET ASSETS		<u>13,373,257.58</u>	<u>13,788,988.27</u>

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
EQUITY			
Establishment Reserve		14,260,889.65	14,260,889.65
Retained Profits (Accumulated Losses)		<u>(887,632.07)</u>	<u>(471,901.38)</u>
TOTAL EQUITY		13,373,257.58	13,788,988.27

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Statement of Significant Accounting Policies:

The financial statements cover Eton Irrigation Cooperative Ltd as an individual entity. Eton Irrigation Cooperative Ltd is constituted under the Cooperatives Act 1997 and is domiciled in Australia.

Basis of Preparation

The financial statements are a special purpose report prepared for use by directors and the members. The directors have determined that the company is not a reporting entity.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Revenue and Other Income

Charges representing water access fees are recognised when earned on a straight line basis across the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

Services rendered

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Interest revenue

Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(c) Trade and Other Receivables

Trade and other receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision of impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is assessed periodically with provision being made for impairment.

(d) Trade and Other Payables

Trade and other payables represent liabilities of goods or services received by the Cooperative during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Statement of Significant Accounting Policies:

(e) Goods and Services Tax

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 payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Expenditure is only capitalised if it increased the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

Property, plant and equipment depreciated on a straight line basis over the assets useful life to commencing when the asset is ready for use. Depreciation is recognised in profit and loss.

Depreciation

Property, plant and equipment depreciated on a straight line basis over the assets useful life to commencing when the asset is ready for use. Depreciation is recognised in profit and loss.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.50%
Water Infrastructure	100%
Motor Vehicle	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed.

A comprehensive review and revaluation of the cooperatives assets is expected to be carried out during the year ending 30 June 2022 which will have a significant effect on future financial statements.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the statement of cash flows presentation purposes, cash and cash equivalents also include bank overdrafts, which are shown within borrowings in current liabilities.

(h) Employee Benefits

Provision is made for the Co-operative's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

ETON IRRIGATION COOPERATIVE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(i) Inventory

Inventories are measured at the lower cost and net realisable value. Cost of inventory is determined using the first-in-first out 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.

	2021	2020
	\$	\$
2 Interest Received:		
NAB Business Cash Maximiser	1,065.41	504.34
Suncorp Term Deposit	111,307.45	-
NAB Term Deposit	<u>3,509.60</u>	<u>-</u>
	<u>115,882.46</u>	<u>504.34</u>
3 Government Subsidies:		
Fuel Tax Credits	<u>318.00</u>	<u>-</u>
4 Gross profit on trading:		
Sales		
Part C Medium	2,107,051.45	498,011.52
Part D Medium	260,666.31	-
Access Fees	187,199.04	-
Hay Point & Dalrymple Bay Transportation Charge	142,830.78	-
Late Payment Interest Charges	1,319.53	-
Permanent Transfer Fee	<u>6,690.93</u>	<u>-</u>
Gross profit on trading	<u>2,705,758.04</u>	<u>498,011.52</u>
5 Contract Work:		
Minor Works, Corrective and Breakdown	65,895.13	5,892.06
Slashing/Mowing	<u>255,969.80</u>	<u>3,857.80</u>
	<u>321,864.93</u>	<u>9,749.86</u>
6 Insurance:		
Insurance	19,780.00	118,340.97
Business Insurance	26,255.26	-
WorkCover	<u>9,673.24</u>	<u>-</u>
	<u>55,708.50</u>	<u>118,340.97</u>

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
7 Materials & Supplies:		
Ex Inventory	30,371.66	7,261.96
Non Inventory	47,906.08	6,294.54
Non Routine	<u>73,169.72</u>	<u>15,430.76</u>
	<u>151,447.46</u>	<u>28,987.26</u>
8 Registration Fees:		
Motor Vehicles	7,541.72	823.11
Irrigation Australia	912.73	-
Queensland Farmers Federation	<u>5,600.00</u>	<u>-</u>
	<u>14,054.45</u>	<u>823.11</u>
9 Repairs And Maintenance:		
Motor Vehicles	15,854.02	2,756.65
Maintenance - Non Routine	213,489.18	390.00
Maintenance - Routine	35,542.32	440.00
Maintenance - Office and Depot	8,081.39	1,336.01
Maintenance - Chemical	<u>167,579.40</u>	<u>65,435.70</u>
	<u>440,546.31</u>	<u>70,358.36</u>
10 Subscriptions:		
Subscriptions	-	5,500.00
Xero	802.91	-
MEX Maintenance	9,700.00	-
Schneider Electric Australia	<u>3,387.29</u>	<u>-</u>
	<u>13,890.20</u>	<u>5,500.00</u>
11 Superannuation Contributions :		
Superannuation Guarantee	105,588.66	25,045.81
Salary Sacrifice	<u>49,849.45</u>	<u>13,866.74</u>
	<u>155,438.11</u>	<u>38,912.55</u>
12 Wages:		
Employees	825,542.05	193,990.11
Sub Contractors	4,415.46	20,965.11
Capitalised	<u>(12,406.00)</u>	<u>-</u>
	<u>817,551.51</u>	<u>214,955.22</u>
13 Goods and services tax:		
GST Credits	94,761.81	38,635.81
GST Payable	<u>(5,332.56)</u>	<u>(343.00)</u>
	<u>89,429.25</u>	<u>38,292.81</u>

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
14 Property, plant and equipment:		
Buildings	146,694.00	146,694.00
Less Accumulated Depreciation	<u>4,583.00</u>	<u>915.00</u>
	<u>142,111.00</u>	<u>145,779.00</u>
Water Infrastructure	110,246.64	-
Less Accumulated Depreciation	<u>110,246.64</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Motor Vehicles	168,165.98	-
Less Accumulated Depreciation	<u>24,224.00</u>	<u>-</u>
	<u>143,941.98</u>	<u>-</u>
Total property, plant and equipment	<u>286,052.98</u>	<u>145,779.00</u>

AUDITOR'S REPORT

The Auditor's Report for the period 30th March 2020 to 30th June 2021 (initial reporting period) will be included in the Annual Report prior to the AGM.

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