

Eton Irrigation Cooperative Ltd

Financial Statements

For the Year Ended 30 June 2021

Eton Irrigation Cooperative Ltd

Contents

For the Year Ended 30 June 2021

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Eton Irrigation Cooperative Ltd

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	4	3,139,826	502,067
Interest income		115,882	504
Raw materials and consumables used		(151,447)	(28,987)
Employee benefits expense		(1,049,597)	(295,453)
Depreciation and amortisation expense		(138,139)	(915)
Distribution losses		(595,326)	(140,084)
Other expenses		(1,683,129)	(383,034)
Finance expenses		(50,440)	-
Profit before income tax		(412,370)	(345,902)
Income tax expense		-	-
Profit from continuing operations		(412,370)	(345,902)
Profit for the year		(412,370)	(345,902)
Net gain on financial assets at FVTPL		1,086,821	-
Other comprehensive income for the year, net of tax		1,086,821	-
Total comprehensive income for the year		674,451	(345,902)

The accompanying notes form part of these financial statements.

Eton Irrigation Cooperative Ltd

Statement of Financial Position
As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	108,315	13,848,911
Trade and other receivables	6	241,670	21,581
Inventories	7	445,535	227,763
Prepayments		115,616	19,780
TOTAL CURRENT ASSETS		911,136	14,118,035
NON-CURRENT ASSETS			
Other financial assets	8	13,856,037	-
Property, plant and equipment	9	286,053	145,779
TOTAL NON-CURRENT ASSETS		14,142,090	145,779
TOTAL ASSETS		15,053,226	14,263,814
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	98,363	4,281
Employee benefits	11	365,424	344,545
TOTAL CURRENT LIABILITIES		463,787	348,826
NON-CURRENT LIABILITIES TOTAL			
LIABILITIES		463,787	348,826
NET ASSETS		14,589,439	13,914,988
EQUITY			
Establishment reserves Retained earnings		14,260,890	14,260,890
TOTAL EQUITY		328,549	(345,902)
		14,589,439	13,914,988

The accompanying notes form part of these financial statements.

Eton Irrigation Cooperative Ltd

Statement of Changes in Equity
For the Year Ended 30 June 2021

2021

Balance at 1 July 2020
Profit (loss) for the year
Balance at 30 June 2021

Note	Retained Earnings	Establishment Reserve	Total
	\$	\$	\$
	(345,902)	14,260,890	13,914,988
	674,451	-	674,451
	328,549	14,260,890	14,589,439

2020

Balance at 1 July 2019
Profit (loss) for the year
Balance at 30 June 2020

Note	Retained Earnings	Establishment Reserve	Total
	\$	\$	\$
	-	14,260,890	14,260,890
	(345,902)	-	(345,902)
	(345,902)	14,260,890	13,914,988

The accompanying notes form part of these financial statements.

Eton Irrigation Cooperative Ltd

Statement of Cash Flows
For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,496,285	460,706
Payments to suppliers and employees	(3,574,351)	(726,494)
Interest paid	115,882	504
Net cash provided by/(used in) operating activities	13 <u>(962,184)</u>	<u>(265,284)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Establishment reserve	-	14,260,890
Purchase of property, plant & equipment	(278,413)	(146,694)
Purchase of investments	(12,831,124)	-
Cash receipts from investments	381,564	-
Investment costs	(50,440)	-
Net cash provided by/(used in) investing activities	<u>(12,778,413)</u>	<u>14,114,196</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(13,740,597)	13,848,912
Cash and cash equivalents at beginning of year	13,848,912	-
Cash and cash equivalents at end of financial year	5 <u>108,315</u>	<u>13,848,912</u>

The accompanying notes form part of these financial statements.

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2021

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

The functional and presentation currency of Eton Irrigation Cooperative Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are a special purpose report prepared for the use by directors and the members. The directors have determined that the cooperative 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, except where specifically stated, current valuations of non-current assets.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the business is entitled to it.

Rental income

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

Other income

Other income is recognised on an accruals basis when the Cooperative is entitled to it.

(b) 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.

(c) 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 payable are stated inclusive of GST.

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

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(d) Inventories

Inventories are measured at the lower of 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.

(e) 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 cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Buildings and Property, Plant & Equipment, excluding Motor vehicles, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use. Motor vehicles are depreciated on a reducing balance basis.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Motor Vehicles	25%
Property, Plant and Equipment	100%

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.

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 the future financial statements.

f Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial instruments are recognised initially on the date that the Cooperative becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Cooperative classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Cooperative changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Cooperatives's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position .

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

The Cooperative has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Cooperative has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Cooperative holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Cooperative's financial assets measured at FVTPL comprise derivatives [insert details of other financial assets carried at FVTPL] in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Cooperative's historical experience and informed credit assessment and including forward looking information.

The Cooperative uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Cooperative uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Cooperative in full, without recourse to the Cooperative to actions such as realising security (if any is held); or

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Cooperative in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Cooperative has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Cooperative renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Cooperative measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Cooperative comprise trade payables, bank and other loans and lease liabilities.

(h) 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.

(i) Employee benefits

Provision is made for the Cooperative'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. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(i) Employee benefits

employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Adoption of new and revised accounting standards

The Cooperative has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Cooperative or refer to Note for details of the changes due to standards adopted.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Cooperative has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

4 Revenue

	2021	2020
	\$	\$
Rent Received	37,007	2,754
Other	610	1,300
Government Subsidies	318	-
Income Distribution - JB Were	381,564	-
Trading Income - Water Charges	2,720,327	498,011
	<u>3,139,826</u>	<u>502,067</u>

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	108,315	13,848,911
	<u>108,315</u>	<u>13,848,911</u>

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements
For the Year Ended 30 June 2021

6 Trade and Other Receivables

6 Trade and Other Receivables

	2021	2020
	\$	\$
Accrued Income	14,569	-
Trade receivables	165,194	21,581
Debtor - JBWere	61,907	-
	<u>241,670</u>	<u>21,581</u>

7 Inventories

	2021	2020
	\$	\$
CURRENT		
At cost:		
Raw materials and consumables	445,535	227,763
	<u>445,535</u>	<u>227,763</u>

8 Other Financial Assets

(a) Financial assets at fair value through profit or loss

	2021	2020
	\$	\$
DRP residual JB Were	20,705	-
JB Were Growth Account	11,963,185	-
JB Were Liquid Account	1,872,147	-
	<u>13,856,037</u>	<u>-</u>

9 Property, plant and equipment

Buildings		
At cost	146,694	146,694
Accumulated depreciation	(4,583)	(915)
Total buildings	<u>142,111</u>	<u>145,779</u>
Total land and buildings	<u>142,111</u>	<u>145,779</u>
PLANT AND EQUIPMENT		
Motor vehicles		
At cost	168,166	-
Accumulated depreciation	(24,224)	-
Total motor vehicles	<u>143,942</u>	<u>-</u>
Property, plant and equipment		
At cost	110,247	-
Accumulated depreciation	(110,247)	-

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements
For the Year Ended 30 June 2021

9 Property, plant and equipment

9 Property, plant and equipment continued

Total plant and equipment	143,942	-
	286,053	145,779

10 Trade and Other Payables

	2021	2020
Note	\$	\$
CURRENT		
Trade payables	183,683	36,955
GST payable	(89,429)	(38,293)
Fringe benefits tax payable	3,495	-
Sundry creditors	-	2,652
Remserv payable - payroll	614	2,967
	98,363	4,281

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.

11 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Provision for long service leave	206,381	199,491
Provision for annual leave	102,870	93,634
Provision for time off in lieu	5,814	5,234
PAYG Payable	49,461	46,186
Superannuation payable	898	-
	365,424	344,545

12 Contingencies

In the opinion of the Directors, the Cooperative did not have any contingencies at 30 June 2021 (30 June 2020:None).

Eton Irrigation Cooperative Ltd

Notes to the Financial Statements For the Year Ended 30 June 2021

13 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit for the year	674,451	(345,902)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	138,139	915
- fair value movements on investments	(1,417,945)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(158,182)	(21,580)
- (increase)/decrease in other assets	(95,836)	(19,780)
- (increase)/decrease in inventories	(217,772)	(227,763)
- increase/(decrease) in trade and other payables	98,255	50,467
- increase/(decrease) in provisions	16,706	298,359
Cashflows from operations	<u>(962,184)</u>	<u>(265,284)</u>

14 Statutory Information

The registered office and principal place of business of the cooperative is:

Eton Irrigation Cooperative Ltd
11 Flaherty Street
ETON QLD 4741

Eton Irrigation Cooperative Ltd

Directors' Declaration

The directors have determined that the Cooperative is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Cooperative declare that:

1. The financial statements and notes, as set out on pages 1 to 13:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Cooperative will be able to pay its debts as and when they become due and payable.

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

Director 

Director 

Dated 18/10/2022