



JULY 2022 TO JUNE 2023
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.

Cover Photo: Pouring of the concrete lining for the new meter at the Main Offtake

CONTENTS

Our history	Page 2
Section 1 – An overview of Eton Irrigation Cooperative Ltd	
About us	Page 3
Section 2 – Governance	
Director’s report	Page 4
Board Members	Page 4
Chair’s Report	Page 6
Our People	Page 8
General Manager’s Report	Page 10
Declaration of Interest	Page 12
Notification of appointment or Cessation of Directors	Page 13
Section 3 – Our Finances	
Financial Statements	Page 14
Notes to the Financial Statements	Page 18
Auditor’s Report	Page 29
Section 4 – Other	
Contact us	Page 30

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 173, Walkerston Qld 4751 (note the change as the Eton Australia Post Agency is closing).

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 the Deputy Chair on the boards of Mackay Sugar Limited (MSL) and Mackay Area Productivity Services (MAPS) and a past Director of Queensland Commodity Services (QCS) and Sugar Research Australia (SRA). 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.

John Muscat, Deputy Chair / 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.



Andrew Vassallo, Member Director

Andrew is a third-generation farmer and has been farming sugarcane and cattle in the Brightley area for 35 years. Throughout this time, he has built strong networks and gained extensive knowledge of the irrigation sector. Andrew has a Diploma in Agriculture and his commitment to adopting best management practices is reinforced by his Canegrower BMP accreditation. Since 2018, Andrew has served as a Board Member of Kinchant Dam Water Users Association Inc and was involved in discussions with Sunwater and local government organisations leading to Eton Irrigation taking over ownership and management of the scheme on 31st March 2020.

Andrew has held various office bearer positions throughout the community and is currently Treasurer and Fire Officer of the Eton Rural Fire Brigade.



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 & Water Pricing

FY 2024 is the last year of the price path spelt out in the proposal document. The EICL Board has honoured its commitment to set the prices for those 3 years to the amounts in the proposal document.

In December the Board will set the price for FY 2025, which will be the first year not spelt out in the proposal document. The Board is committed to keeping the price as low as possible whilst still meeting the yearly operating costs of the business and having a plan to meet the cost of assets as they reach end of life.

Governance

The Board is happy with the governance policies that have been developed since 2020. Those policies will continue to be monitored to ensure that all aspects of the business are managed to meet the short and long term needs of the members and customers.

Investments

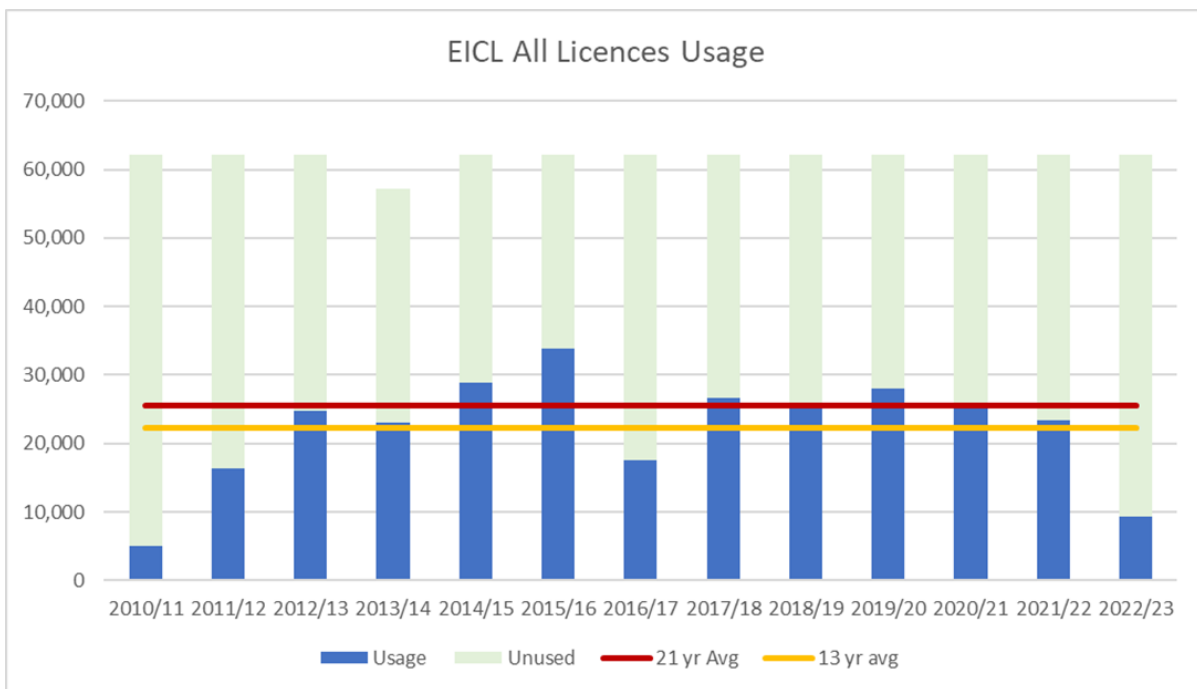
The investments have bounced back somewhat from the losses at the end of the 2022 financial year and are performing well. \$1.303M has been drawn from the investments from transition up to June 30, 2023, to cover operating losses, asset replacement (capital investment) and short-term cash flow. Despite this, the portfolio was still more than \$500K higher than the amount invested in 2020, due to the returns achieved.

The Board will continue to monitor the portfolio and modify the Investment Policy as required.

Weather and allocations last year

On the 1st of April 2022, the allocation was announced at 57%. On the 1st of May the Allocation was lifted to 64%, to 82% on the 1st June, to 87% on the 1st of October 2022. It was raised again on the 1st November 2022 by 5% to 92% and then finally on the 1st February 2023 by 8% to 100%.

The 2022-2023 year was wetter than normal resulting in very low water usage from the system - the lowest since 2010-11.



Member and Customer engagement

EICL continues to regularly communicate to members through our newsletters, texts, emails, the website and at the AGM. If you need more information, please contact the GM for operational issues and one of the Directors for strategic issues.

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.

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.

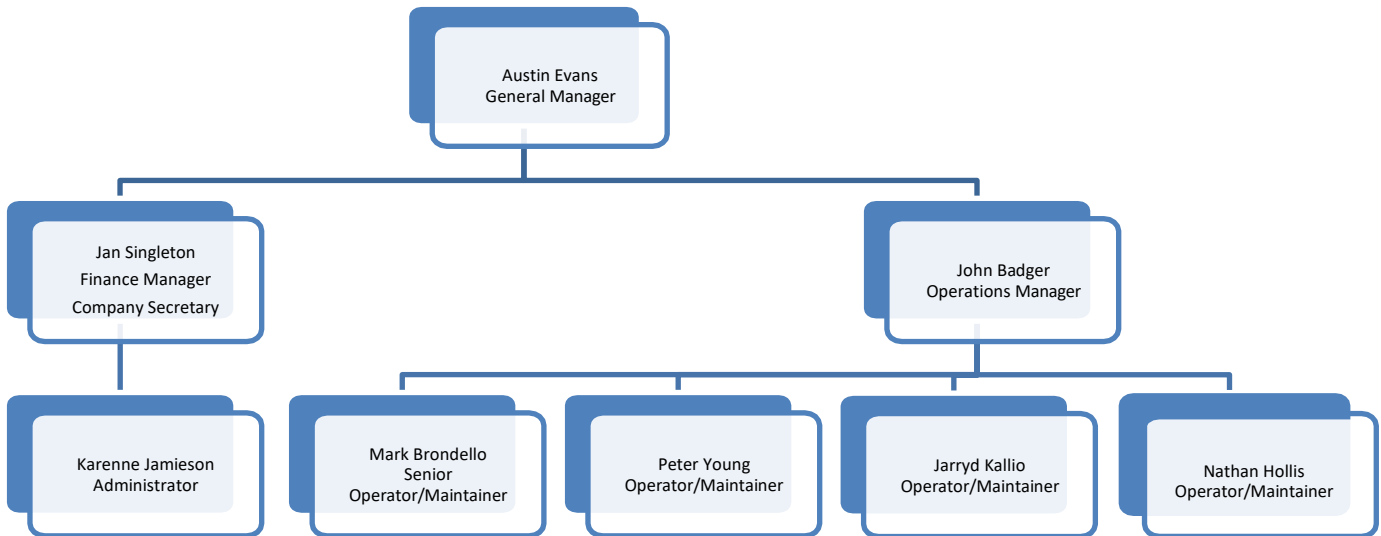
Since transition, there have been no injuries (short, medium or long term). The safety systems continue to perform with safety meetings held regularly, safety inspections completed regularly and hazards, near misses and incidents being reported. The success so far has been due to vigilance and that needs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



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 – Jan Singleton

Jan joined the Eton Irrigation team in February 2023 coming from an accounting and management role in Real Estate and Law. Jan worked for Hugh Reilly Real Estate for 16 years and then Macrossan & Amiet Solicitors for 13 years before travelling around Australia in 2019. After returning from her travels Jan then worked for J Hamilton & Associates Solicitors before joining Eton Irrigation. Jan attended CQU as a mature aged student and graduated with a Bachelor of Accounting in 2011. Jan is a keen photographer, scrapbooker, latin dancer and adventurer.

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 – 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

Financial Performance

The provisional operating loss (without depreciation) for the financial year 2023 is \$140,755.87.

The continues a trend in the desired direction with the loss in FY22 being \$356,311.68 and an FY21 loss of \$595,659.54. This gives confidence that the operating financial position should reach the desired goal of breakeven in FY24.

Asset Maintenance & System improvements

EICL continues to maintain and repair the infrastructure assets to keep the water delivery system running smoothly. The asset management software package (MEX) continues to perform as hoped. It has performed well in managing the assets, identifying regular proactive maintenance, and recording reactive maintenance.

The biggest project currently, is the Main Offtake metering which is being funded and built by SunWater. It was originally planned for the 2022 shutdown but was postponed due their inability to secure contractors in time. Work commenced during 2023. The concrete lining was poured during the EICL works shutdown. Now the electricity needs to be connected and the sensors and control box put in to complete the job.

Other works completed during the shutdown included:

- 5.75km of Desilting.
- Replaced 3 Channel Scour Gates
- 25 Air Valves had work done on them
- 2 seized Pipe Scour Valves were excavated and got working
- The Oakenden Relift Lateral 1 isolation valve gland (cone) packing was completed.
- De Zurik Valve at Mt Alice Pump Station was replaced
- Leaks – a number of identified leaks were repaired including on the Abingdon rising main
- The damaged Isolation Valve near Mt.Alice MO 378A was repaired
- 13 hours of dewatering with the weed bucket were completed
- The bearings on Reg 5 were replaced

Further works continue to be completed during the season where possible.

We are continuing to improve the SCADA system (remote monitoring which allows better control of water in the system). This has been slower than we anticipated, but we are still working on this.

Staff

Two of our long-term employees have taken long service leave as they move into retirement.

Jane Pott

Towards the end of 2022 Jane Pott advised her intention to retire. Since then, she has been taking long service leave and doing short stints at EICL to finish off projects she was working on. Jane has been working for EICL and SunWater since August 2001. In that time, she has worked in nearly every area of management – finances, assets, WHS, projects, water trading, compliance, governance. Her final title as the Finance Manager/Company Secretary does not do justice to the wide range of areas she has been responsible for.

Interviews for her replacement were conducted from late 2022 in to early 2023 and Jan Singleton commenced with EICL on the 6th of February 2023. Jane worked up until the Board meeting at the end of February, giving Jan a good overlap to learn the details of the role. Jane has continued to provide support and information when requested, since then.

Jane formerly finishes up in November 2023, but has indicated that we can still call on her for information and short-term assistance.

Thank you, Jane, for your long years of dedicated service to the Eton Irrigation Scheme. Your breadth of knowledge and can-do attitude will be sorely missed.

John Byrnes

Not long after Jane, John Byrnes advised of his intention to retire and has been on long service leave since February 2023. John has worked for EICL, Sunwater and its many predecessors since June 1978. John has seen most of the scheme constructed and has repaired most of it at one time or another since then. John's official title was as an Operator Maintainer. His role was largely as a project manager/overseer on maintenance, repairs and works. He would organise materials, contractors, other staff, equipment, work plans and usually be the person down in the hole, covered in mud on the shovel. In short, give John a task and he would make it happen or he would see what needed to be done and make it happen.

John knew the system in fine detail as you might expect from 44+ years working on it. John has not been replaced at this stage, with the remaining staff restructured and given extra training to cover his role.

Website

Don't forget that 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 and Notices
- Director's Biographies



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
EICL Chair
November 2023

NOTICE OF APPOINTMENT OR CESSATION OF APPOINTMENT OF DIRECTORS AND OFFICERS

As per the Eton Irrigation Cooperative Rules, Member Directors serve for a 3-year term with one Member Director being up for election every year, this year being Lee Blackburn. Lee elected to be nominated be for re-election and an invitation was sent to all members for the nominations of candidates to stand for election as a Member Director. The closing date for the nominations was the 12th October 2023 and only one nomination was received from the existing Director Lee Blackburn, so he will be re-elected unopposed.

Independent Director, Tom Wallwork has finished his 3-year term as an Independent Director in line with the Eton Irrigation Co-operative Rules. The Member Directors have recommended that Tom be re-appointed for another term. Members will be asked to endorse this by a vote at the AGM.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

SECTION 3

OUR FINANCES

FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	2	3,256,912	3,268,624
Interest income		1,135	205
Fair value gain/(loss) on financial assets at fair value through profit or loss	2, 6	981,858	(1,268,712)
Depreciation and amortisation expense		(3,118,328)	(3,215,987)
Distribution losses		(527,508)	(534,956)
Employee benefits expense		(982,233)	(940,053)
Finance expenses		(84,876)	(85,204)
Other expenses		(1,361,010)	(1,599,334)
Raw materials and consumables used		(96,454)	(129,804)
Profit/(loss) before income tax		(1,930,504)	(4,505,221)
Income tax expense		-	-
Profit/(loss) after income tax expense for the year		(1,930,504)	(4,505,221)
Other comprehensive income			
Gain on revaluation of property, plant and equipment		-	108,947,139
Other comprehensive income for the year, net of tax		-	108,947,139
Total comprehensive income for the year		(1,930,504)	104,441,918

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

Statement of Financial Position
As At 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	3	84,659	164,771
Trade and other receivables	4	199,761	158,806
Inventories	5	455,754	360,274
Prepayments		46,967	131,687
Total current assets		787,141	815,538
Non-current assets			
Other financial assets	6	13,376,117	12,419,686
Property, plant and equipment	7	103,479,050	106,330,729
Total non-current assets		116,855,167	118,750,415
Total assets		117,642,308	119,565,953
Liabilities			
Current liabilities			
Trade and other payables	8	203,518	186,709
Employee benefits	9	337,937	347,888
Total current liabilities		541,455	534,597
Total liabilities		541,455	534,597
Net assets		117,100,853	119,031,356
Equity			
Asset revaluation surplus		108,947,139	108,947,139
Establishment reserves		14,260,890	14,260,890
Retained earnings		(6,107,176)	(4,176,672)
Total equity		117,100,853	119,031,357

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

Statement of Changes in Equity
For the Year Ended 30 June 2023

2023

	Retained Earnings	Asset Revaluation Surplus	Establishment Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	(4,176,672)	108,947,139	14,260,890	119,031,357
Profit/(loss) for the year	(1,930,504)	-	-	(1,930,504)
Revaluation increment (decrement)	-	-	-	-
Balance at 30 June 2023	(6,107,176)	108,947,139	14,260,890	117,100,853

2022

	Retained Earnings	Asset Revaluation Surplus	Establishment Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	328,549	-	14,260,890	14,589,439
Profit/(loss) for the year	(4,505,221)	-	-	(4,505,221)
Revaluation increment (decrement)	-	108,947,139	-	108,947,139
Balance at 30 June 2022	(4,176,672)	108,947,139	14,260,890	119,031,357

The accompanying notes form part of these financial statements.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

Statement of Cash Flows
For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
Cash flows from operating activities:		
Receipts from customers	2,776,933	2,998,805
Payments to suppliers and employees	(2,893,178)	(3,038,097)
Interest received	1,135	205
Net cash provided by/(used in) operating activities	11 <u>(115,110)</u>	<u>(39,087)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(318,002)	(313,525)
Purchase of investments	-	-
Proceeds from withdrawal of investments	353,000	424,842
Investment costs	-	-
Net cash provided by/(used in) investing activities	<u>34,998</u>	<u>111,317</u>
Net increase/(decrease) in cash and cash equivalents held	(80,112)	56,456
Cash and cash equivalents at beginning of year	<u>164,771</u>	<u>108,315</u>
Cash and cash equivalents at end of financial year	3 <u><u>84,659</u></u>	<u><u>164,771</u></u>

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 2023**

The financial report covers Eton Irrigation Cooperative Ltd as an individual entity. Eton Irrigation Cooperative Ltd is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards, constituted under the *Co-operatives National Law Act 2020* 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.

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*.

1 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 subsequently 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).

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**ABN 29 615 812 505****Notes to the Financial Statements****For the Year Ended 30 June 2023****1 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.

Buildings

Buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Buildings and property, plant and equipment, excluding motor vehicles, is depreciated on a straight-line basis over the assets useful life to the Cooperative, 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	0.66% - 10%
Motor vehicles	25%
Plant and equipment	10% - 100%
Pump station	1.25% - 10%
Water infrastructure	0.66% - 10%

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.

(f) 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).

ETON IRRIGATION COOPERATIVE LTD**ABN 29 615 812 505****Notes to the Financial Statements****For the Year Ended 30 June 2023****1 Summary of Significant Accounting Policies****(f) Financial instruments****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 that are solely payments of principal and interest on the principal amount outstanding.

The Cooperative'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.

Financial assets through profit or loss

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

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Cooperative's financial assets measured at FVTPL comprise of the JBWere investments as recorded in Note 6 to the financials.

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 significantly since initial recognition and when estimating ECL, the Cooperative considers reasonable and supportable information that is relevant

ETON IRRIGATION COOPERATIVE LTD**ABN 29 615 812 505****Notes to the Financial Statements****For the Year Ended 30 June 2023****1 Summary of Significant Accounting Policies****(f) Financial instruments****Financial assets**

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
- 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.

(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.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(h) 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 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.

(i) Adoption of new and revised accounting standards

The Cooperative has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Cooperative.

2 Revenue

	2023	2022
	\$	\$
Investment income		
- Distributions from investments held at FVTPL	439,024	394,082
	439,024	394,082
Revenue		
- Government subsidies	433	337
- Other	5,321	11,196
- Rent received	36,865	34,503
- Small-scale technology certificates	-	19,562
- Trading income - water charges	2,775,269	2,808,944
	2,817,888	2,874,542
Total Revenue	3,256,912	3,268,624

3 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	84,659	164,771
	84,659	164,771

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Trade and Other Receivables

	2023	2022
	\$	\$
Current		
Accrued income	67,697	22,094
Debtor - JBWere	115,000	88,424
Trade receivables	17,064	48,288
	<u>199,761</u>	<u>158,806</u>

5 Inventories

	2023	2022
	\$	\$
Current		
At cost:		
Raw materials and consumables	455,754	360,274
	<u>455,754</u>	<u>360,274</u>

6 Other Financial Assets

Financial assets at fair value through profit or loss

	2023	2022
	\$	\$
DRP residual JBWere	17,488	36,478
JBWere growth account	11,709,642	10,744,245
JBWere liquid account	1,648,987	1,638,963
	<u>13,376,117</u>	<u>12,419,686</u>

7 Property, Plant and Equipment

	2023	2022
	\$	\$
Buildings		
At director valuation	1,031,103	1,030,603
Accumulated depreciation	(185,072)	(127,060)
	<u>846,031</u>	<u>903,543</u>
Plant and equipment		
At cost	8,650	8,650
Accumulated depreciation	(938)	(81)
	<u>7,712</u>	<u>8,569</u>

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Property, Plant and Equipment (continued)

	2023	2022
	\$	\$
Pump station		
At director valuation	1,601,997	1,590,010
Accumulated depreciation	<u>(325,383)</u>	<u>(222,266)</u>
	<u>1,276,614</u>	<u>1,367,744</u>
Motor vehicles		
At cost	215,923	215,923
Accumulated depreciation	<u>(101,681)</u>	<u>(67,065)</u>
	<u>114,242</u>	<u>148,858</u>
Water infrastructure		
At director valuation	110,343,103	110,102,202
Accumulated depreciation	<u>(9,108,652)</u>	<u>(6,200,187)</u>
	<u>101,234,451</u>	<u>103,902,015</u>
Total property, plant and equipment	<u>103,479,050</u>	<u>106,330,729</u>

As at 30 June 2023 the directors have reviewed the key assumptions inherent in the valuation of the Buildings, Pump Station and Water Infrastructure asset classes. The directors are satisfied that the valuation of Buildings, Pump Station and Water Infrastructure are accurate and that the carrying value reflects fair value at year end.

8 Trade and Other Payables

	2023	2022
	\$	\$
Current		
Accrued water charges	32,929	-
Donations payable	-	2,564
Fringe benefits tax payable	-	(3,494)
GST payable/(receivable)	(70,747)	(69,506)
NAB credit card #4994	2,921	5,144
PAYG payable	65,602	57,134
Remserv payable - payroll	-	-
Superannuation payable	3,407	-
Trade payables	<u>169,406</u>	<u>194,867</u>
	<u>203,518</u>	<u>186,709</u>

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.

ETON IRRIGATION COOPERATIVE LTD
ABN 29 615 812 505
Notes to the Financial Statements
For the Year Ended 30 June 2023

9 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Provision for annual leave	114,672	114,944
Provision for long service leave	218,023	225,627
Provision for time off in lieu	5,242	7,317
	<u>337,937</u>	<u>347,888</u>

10 Contingencies

In the opinion of the Directors, the Cooperative did not have any contingencies at 30 June 2023 (30 June 2022:None).

11 Cash Flow Information**Reconciliation of result for the year to cashflows from operating activities**

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

	2023	2022
	\$	\$
Profit for the year	(1,930,504)	(4,505,221)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	3,118,328	3,215,987
- fair value movements on other financial assets	(981,858)	1,268,712
- realised gains on other financial assets	(328,073)	(241,430)
- loss on disposal of assets	51,854	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(40,955)	82,864
- (increase)/decrease in other assets	84,720	(16,071)
- (increase)/decrease in inventories	(95,480)	85,261
- increase/(decrease) in trade and other payables	16,809	37,987
- increase/(decrease) in provisions	(9,951)	32,823
Cashflows from operations	<u>(115,110)</u>	<u>(39,089)</u>

12 Statutory Information

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

Eton Irrigation Cooperative Ltd
11 Flaherty Street
Eton QLD 4741

AUDITOR'S REPORT

The Auditor's Reports will be published on the EICL website once completed.

CONTACT US

PO Box 173, Walkerston Qld 4751 (note the change as the Eton Australia Post Agency is closing)

PHONE: (07) 49 775 850

WATER ORDERING LINE: (07) 49 775 840

AFTER HOURS/ON CALL NUMBER: 0409 605 720

EMAIL: - accounts@etonirrigation.com.au