

**The Creeks Pipeline Company Limited
(ACN 133 867 197)**

**31 December 2023
Interim Financial Report**

The Creeks Pipeline Company Limited

31 DECEMBER 2023
INTERIM FINANCIAL REPORT

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Directors' Report

The directors present their report together with the half-year financial report for the six months ended 31 December 2023 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period are:

Name	Period of directorship
Non-executive	
Mr John Leslie Kerr (Chairperson)	Director since 1 January 2010
Ms Dianne Margaret Davidson	Director since 24 October 2008
Mr David James Watkins	Director since 24 October 2008
Mr Craig Hamilton Willson	Retired as a Director on 1 September 2023
Mr David Andrew Eckert	Director since 25 August 2020
Ms Sarah Joy Keough	Director since 1 September 2023

Review of operations

The Company continued providing water delivery services during the period. Water deliveries for the half year totalled 5,352 megalitres (previous half year: 4,145 megalitres).

Revenue of \$1,507,847 was received for the six months (previous half year: \$1,247,135).

The profit for the half year ended 31 December 2023 amounted to \$237,532 (previous half year: \$9,215).

Whilst the future volume of water deliveries will be determined by weather, river and lake conditions, the Company's net financial position will be largely unaffected given fixed costs are recovered through the charging of non-take fees to all customers.

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Directors' Report (continued)

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 17 and forms part of the directors' report for the six months ended 31 December 2023.

Rounding off

The Company is not of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and therefore cannot 'round off' any amounts in the half-year financial report and director's report to the nearest thousand dollars. The Company must show the amounts in the directors' report and half-year financial reports at the nearest whole dollar of the amount.

Signed in accordance with a resolution of the directors:



J L Kerr
Chairman



D J Watkins
Director

Langhorne Creek, S.A.

27 February 2024

The Creeks Pipeline Company Limited

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Condensed Interim Statement of Financial Position

As at 31 December 2023

	<i>Note</i>	31 Dec 2023 AUD\$	30 Jun 2023 AUD\$
Assets			
Current assets			
Cash and cash equivalents	12	777,004	918,007
Trade and other receivables	11	541,891	846,187
Inventories		503,059	325,910
Prepayments		83,922	38,244
Investments	13	6,059,908	7,019,912
Other assets	14	673,555	473,220
Total current assets		8,639,339	9,621,480
Non-current assets			
Property, plant and equipment	9	11,785,404	10,538,831
Deferred tax asset	10	871,206	943,341
Total non-current assets		12,656,610	11,482,172
Total assets		21,295,949	21,103,652
Liabilities			
Current liabilities			
Trade and other payables	15	176,581	233,587
Employee benefits	17	61,937	57,858
Total current liabilities		238,518	291,445
Non-current liabilities			
Deferred tax liability	18	2,296,041	2,289,017
Employee benefits	17	3,984	3,316
Total non-current liabilities		2,300,025	2,292,333
Total liabilities		2,538,543	2,583,778
Net assets		18,757,406	18,519,874
Equity			
Issued capital		14,525,496	14,525,496
Reserves		3,980,000	3,980,000
Retained earnings		251,910	14,378
Total equity		18,757,406	18,519,874

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2023

	Note	31 Dec 2023 AUD\$	31 Dec 2022 AUD\$
Continuing Operations			
Revenue		1,507,847	1,247,135
Cost of sales		(476,328)	(429,949)
Gross profit		1,031,519	817,186
Other income		58,095	3,500
Operating and administrative expenses		(988,898)	(869,944)
Results from operating activities		100,716	(49,258)
Finance income		215,974	61,545
Net finance income		215,974	61,545
Profit before income tax		316,690	12,287
Income tax (expense)/benefit	8	(79,159)	(3,072)
Profit from continuing operations		237,532	9,215
Profit for the period		237,532	9,215
Total comprehensive income for the period		237,532	9,215

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Changes in Equity

For the six months ended 31 December 2022

	Share Capital	Retained Earnings	Infrastructure Replacement Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	14,525,496	25,729	3,830,000	18,381,225
Total comprehensive income for the period				
Profit	-	9,215	-	9,215
Total comprehensive income for the period	-	9,215	-	9,215
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	-	-	-	-
Ordinary shares subscribed but not issued	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 December 2022	14,525,496	34,944	3,830,000	18,390,440

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Changes in Equity (continued)

For the six months ended 31 December 2023

	<i>Note</i>	Share Capital	Retained Earnings	Infrastructure Replacement Reserve	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2023		14,525,496	14,378	3,980,000	18,519,874
Total comprehensive income for the period					
Profit		-	237,532	-	237,532
Total comprehensive income for the period		-	237,532	-	237,532
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Issue of ordinary shares		-	-	-	-
Ordinary shares subscribed but not issued		-	-	-	-
Total contributions by and distributions to owners		-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 31 December 2023		14,525,496	251,910	3,980,000	18,757,406

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Cash Flows

For the six months ended 31 December 2023

	<i>Note</i>	31 Dec 2023 AUD\$	31 Dec 2022 AUD\$
Cash flows from operating activities			
Profit before income tax for the period		316,690	12,287
Adjustments for:			
Depreciation		251,040	238,758
Income tax expense	8	<u>(79,159)</u>	<u>(3,072)</u>
		488,571	247,973
Change in assets and liabilities (attributable to the operating activities of the company)			
Decrease in trade and other receivables		304,296	95,321
Increase in prepayments		(45,678)	(54,052)
Increase in inventories and other assets		(735,324)	(540,706)
Increase in trade and other payables		(57,006)	73,842
Increase/(Decrease) in the provision for employee benefits		4,747	(1)
Change in deferred income tax		79,159	3,072
		<u>38,765</u>	<u>(174,551)</u>
Income taxes paid		-	-
Net cash used in operating activities		<u>38,765</u>	<u>(174,551)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(1,139,772)	(417,638)
Purchase of term deposits		960,004	(1,013,831)
Net cash provided by/(used in) investing activities		<u>(179,768)</u>	<u>(1,431,469)</u>
Cash flows from financing activities			
Proceeds from payment of restricted water agreements		-	3,000
Net cash provided by financing activities		<u>-</u>	<u>3,000</u>
Net decrease in cash and cash equivalents		(141,003)	(1,603,020)
Cash and cash equivalents at 1 July		918,007	2,223,547
Cash and cash equivalents at 31 December	12	<u>777,004</u>	<u>620,527</u>

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Notes to the Condensed Interim Financial Statements

1. Reporting entity

The Creeks Pipeline Company Limited (the "Company") is a company domiciled in Australia. The financial report of the Company for the year ended 30 June 2023 is available upon request from the Company's registered office at 1507 Langhorne Creek Road Langhorne Creek SA 5255.

2. Statement of compliance

This general purpose condensed financial report for the half-year ended 31 December 2023 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2023.

This general purpose condensed financial report for the half-year ended 31 December was approved by the Board of Directors on 27 February 2024.

3. Significant accounting policies

The accounting policies applied by the Company in the half-year financial report are the same as those applied by the Company in its financial report for the year ended 30 June 2023.

4. Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the half-year financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2023.

5. Financial risk management

The Company's financial risk management objectives and policies are consistent with that disclosed in the financial report for the year ended 30 June 2023.

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Notes to the Condensed Interim Financial Statements (continued)

6. Segment reporting

The single individual business segment in which the Company operates is the management of a pipeline network to supply irrigation water delivery services in the Langhorne Creek and Currency Creek regions.

7. Seasonality of operations

In a normal irrigation season the majority of the water taken by customers occurs in the November to March period.

8. Income tax expense

Note	31 Dec 2023	31 Dec 2022
	AUD \$	AUD \$
Current tax expense		
Current period	-	-
Adjustments for prior periods	-	-
	<u>-</u>	<u>-</u>
Deferred tax expense		
Origination and reversal of temporary differences	(14)	-
Current year tax profit	79,173	3,072
Total income tax expense/(benefit)	<u>79,159</u>	<u>3,072</u>
Profit for the period	237,532	9,215
Total income tax expense/(benefit)	<u>79,159</u>	<u>3,072</u>
Profit excluding income tax	<u>316,691</u>	<u>12,287</u>
Income tax using a tax rate of 25.0 percent	79,173	3,072
Non-deductible expenses	-	-
Movement in unrecognised temporary differences	(14)	-
Tax expense/(benefit)	<u>79,159</u>	<u>3,072</u>

9. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2023, the Company acquired assets and made infrastructure improvements for a total cost of \$1,139,772.

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Notes to the Condensed Interim Financial Statements (continued)

10. Deferred tax asset

Deferred tax asset comprises temporary differences attributable to the following:

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
Provision for annual leave		38,116	40,940
Provision for long service leave		27,805	20,234
Superannuation payable		8,723	9,273
Accrued expenses		10,000	12,000
Unutilised tax losses		3,400,179	3,690,917
		<u>3,484,823</u>	<u>3,773,364</u>
Deferred Tax Asset		871,206	943,341

11. Trade and other receivables

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
Trade receivables due from related parties		64,490	65,328
Other trade receivables		477,401	780,859
		<u>541,891</u>	<u>846,187</u>
Current		541,891	846,187
Non-current		-	-
		<u>541,891</u>	<u>846,187</u>
<u>Days Outstanding</u>			
0-30 days		451,410	835,959
31-60 days		51,571	8,052
61-90 days		30,361	3,828
90+ days		8,548	(1,652)
		<u>541,891</u>	<u>846,187</u>

12. Cash and cash equivalents

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
National Australia Bank - Bank Accounts		748,274	889,228
ANZ - Bank Accounts		28,538	28,587
Cash on hand		192	192
		<u>777,004</u>	<u>918,007</u>

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Notes to the Condensed Interim Financial Statements (continued)

13. Investments

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
Term Deposits - National Australia Bank		6,059,908	7,019,912
		6,059,908	7,019,912

14. Other assets

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
Project costs		5,000	362,841
Accrued income		576,418	110,379
GST refund		92,137	-
		673,555	473,220

15. Trade and other payables

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
Other trade payables		148,055	153,265
Non-trade payables and accrued expenses		28,526	80,322
		176,581	233,587

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Notes to the Condensed Interim Financial Statements (continued)

16. Related parties

Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits. Key management personnel received total compensation of \$61,291 for the six months ended 31 December 2023.

Other related party transactions

	Directors	Transaction Value 31 Dec 2023 AUD \$	Balance Outstanding 31 Dec 2023 AUD \$
Non-executive			
<u>John Leslie Kerr</u>			
Capital Strategies Pty Ltd			
	- Accountancy Fees	11,206	-
<u>David James Watkins</u>			
Rankins Estates Pty Ltd as trustee for Rankins Estate Unit Trust			
	- Water Delivery Service	39,501	28,805
<u>Craig Hamilton Willson</u>			
Langhorne Creek Water Company (shared pipeline)			
Craig Hamilton and Mignonne Willson			
Kilpuruna Vineyards Pty Ltd			
	- Water Delivery Service	32,618	29,656
<u>David Andrew Eckert</u>			
P.A., M.J. and D.A. Eckert			
	- Water Delivery Service	17,575	6,029
TOTAL		100,900	64,490

All outstanding balances with these related parties are to be settled in cash within 7 days of the date of issue of the tax invoices. None of the balances are secured.

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Notes to the Condensed Interim Financial Statements (continued)

17. Employee benefits

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
Current			
Annual leave		38,116	40,940
Long service leave		23,821	16,918
		<u>61,937</u>	<u>57,858</u>
Non-current			
Long service leave		3,984	3,316
		<u>3,984</u>	<u>3,316</u>
Total		<u>65,921</u>	<u>61,174</u>
Movement			
Opening balance		61,174	52,936
Arising during the period		25,001	53,534
Utilised		(20,254)	(45,296)
Closing balance		<u>65,921</u>	<u>61,174</u>

18. Deferred tax liability

Deferred tax liability comprises temporary differences attributable to:-

	Note	31 Dec 2023	30 Jun 2023
		AUD \$	AUD \$
Property, plant and equipment		9,184,165	9,156,070
		<u>9,184,165</u>	<u>9,156,070</u>
Deferred tax liability		2,296,041	2,289,017

19. Commitments

On 7 December 2023, the Company entered into a contract with Y.E.S. Group (SA) Pty Ltd for the construction of a 2.10MW solar farm on land owned at Jervois. The contract price is \$5.95m. As at 31 December 2023, approximately \$1.00m has been paid with the balance of \$4.95m to be paid in future periods as the construction progresses. The facility should be completed around mid-March 2025.

20. Subsequent events

The Board has determined that there are no other matters occurring between 1 January 2024 and the date of signing this report that are significant to require disclosure.

The Creeks Pipeline Company Limited


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Directors' declaration

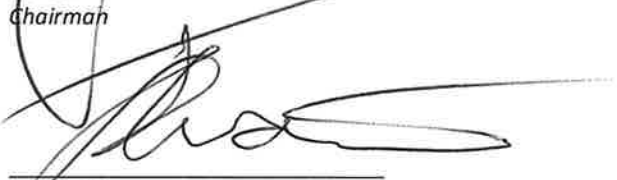
In the opinion of the directors of the Company:

1. the financial statements and notes set out on pages 5 to 15, are in accordance with the Corporations Act 2001 including:
 - a) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the six month period ended on that date; and
 - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



J/L Kerr
Chairman



D J Watkins
Director

Langhorne Creek, S.A.

27 February 2024

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of The Creeks Pipeline Company Limited

As auditor for the review of The Creeks Pipeline Company Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck (SA)
ABN 38 280 203 274

M. D. King

M. D. King
Partner

Dated at Adelaide this 27th day of February, 2024.

Independent auditor's review report to the members of The Creeks Pipeline Company Limited

Report on the half-year financial report

Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of The Creeks Pipeline Company Limited (the Company), does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Company, which comprises:

- the condensed interim statement of financial position as at 31 December 2023,
- the condensed interim statement of profit or loss and other comprehensive income for the half-year then ended,
- the condensed interim statement of changes in equity for the half-year then ended,
- the condensed interim statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year

financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck (SA)

ABN: 38 280 203 274

M.D. King

M.D. King

Partner

Dated this 27th day of February, 2024.