The Creeks Pipeline Company Limited
ACN 133 867 197

30 June 2025
Annual Report

The Creeks Pipeline Company Limited

Contents

Directors' report

The directors present their report together with the financial report of The Creeks Pipeline Company Limited ("the Company"), for the financial year ended 30 June 2025 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
John Leslie Kerr B.EC, FCA, F.FIN Chairman Director (Independent)	John is a Director of Capital Strategies Pty Ltd, an Adelaide based corporate advisory practice. He specialises in the provision of corporate advice to property/infrastructure projects and private venture/development capital matters. Via Capital Family Office, the firm also provides asset and investment management services and advice to private investors. John previously qualified as a chartered accountant with Touche Ross (now KPMG) and worked in their management consulting division. John is also a Director of Barossa Infrastructure Ltd.
Dianne Margaret Davidson AM M Sc, B Ag Sc, Grad. Dip. Bus. Admin., FAATSE, FAIAS Director (Independent)	Di is a professional agricultural scientist with wide and valuable experience with the irrigated agriculture and horticulture industries throughout Australia and internationally. She is currently the Chair of the Murraylands and Riverland Landscape Board. Di has also served as Member of the Murray Darling Basin Authority (2009-2018) and a Director of the Plant Biosecurity CRC (2014-2018). Di was a member of the Council of The University of Adelaide for 12 years, including 4 years as Deputy Chancellor (2013-2016). She was a member of the first Premier's Climate Change Council in South Australia, served as a Director of the Royal Automobile Association of South Australia for 7 years, and as Chair of Seymour College for 6 years. Throughout her professional life Di has sat on numerous government committees and advisory bodies, and worked with government agencies in regional and rural communities.

Directors' report (continued)

David James Watkins
B AgS, Grad. Dip. AgS
Director (Ordinary)

David has more than twenty years of experience in planting and managing vineyards in Adelaide's cool climate regions as well as managing one of Australia's largest cool climate premium bulk wine companies which had a processing capacity of 15,000 tonnes in its two wineries. David has recently retired as President of the Currency Creek Wine Region Association and is a shareholder and director of Watkins Family Wines Pty Ltd which owns and operates 145 hectares of cool climate grapevines mainly in Langhorne Creek, as well as a 5,000 tonne winery at Clarendon in the Adelaide Hills wine region.

Previously, David was General Manager of the Ventures Division of the New South Wales Investment Corporation and played a major role in a subsequent leveraged buyout that saw management and directors successfully purchase the enterprise.

For 11 years, David was engaged as a Contract Lecturer by the International Graduate School of Management, University of South Australia to develop and teach the "Entrepreneurship and New Business Ventures" unit for the International Master of Business Administration Degree which he taught in Hong Kong, Kuala Lumpur and Singapore.

Other previous roles saw David working as an agribusiness consultant in Australia and negotiating and managing joint venture projects in many different countries, mainly in the Middle East and South Asia.

Directors' report (continued)

David Andrew Eckert Director (Ordinary)	David is a 5th generation farmer with a broadacre background located Northwest of the Langhorne Creek township. Married to Shylie with two daughters Taylor and Courtney. David attended Urrbrae Agricultural High School in 1986/87 and completed a TAFE "On Farm Training Course" in 1989/90. David participated in the "International Agricultural Exchange Association" (IAEA) in 1992, which involved working on a large cereal grain growing farm in Alberta, Canada. This experience also included farm study tours throughout Canada and the USA. During 1995 an opportunity presented to diversify the predominately cereal/sheep farming enterprise to introduce more irrigated agriculture, viticulture became the focus and over the following 8 years, 72 hectares were planted and established. Today, David oversees and manages the 80 hectares of the Eckert family-owned vineyards. David has always recognised the importance of access to good quality River Murray water as their property is located above a marginal area of the underground aquifer and situated outside of the local Bremer River floodplain. David's diverse farming and irrigator background have allowed an understanding for the need of the best quality water available for various agricultural pursuits. This has included accommodating and assisting vegetable growers on the Eckert property, in the past, to presently growing quality wine grapes together with lucerne under centre pivot irrigation. David is a past Secretary/Treasurer of the former Langhorne Creek Irrigators Association Committee and a past committee member of the Angas Bremer Water Management Committee.

Directors' report (continued)

Sarah Joy Keough
Director (Ordinary)

Since 2016, Sarah Keough has held the position of Viticulturist and Grower Liaison at Bleasdale Vineyards where she manages 50ha of company-owned vineyards and the procurement of fruit from growers in Langhorne Creek, Adelaide Hills, and McLaren Vale.

Sarah began working in the wine industry after graduating from Roseworthy Agricultural College in 1991. Sarah then studied externally at Adelaide University from 2003 and completed a Graduate Certificate in Viticulture in 2005.

After working as a Vineyard Hand and Technical Officer with Penfolds in Coonawarra, Sarah moved into vineyard development and in 1996, Sarah developed and managed the 78ha Belgravia Vineyard in Orange, NSW, and in 1998 developed and managed a 280ha development in Langhorne Creek for Kirribilly Vineyards.

More recently, Sarah held broadacre and viticultural agronomy roles with Landmark and VBH Supplies covering Strathalbyn, McLaren Vale and Langhorne Creek.

Sarah was named the 'Wine Australia' Nuffield Scholar for 2020 and received the 2022 Langhorne Creek Viticulturist of the Year award.

Sarah is actively involved on the Langhorne Creek Grape Growing Committee, Current Chair of the Vine Improvement Association and on the Board of the Langhorne Creek Water Company.

Directors' report (continued)

2. Company Secretary

Dianne Margaret Davidson was appointed to the position of company secretary on 24 October 2008.

3. Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings	
	A	B
John Leslie Kerr	7	7
Dianne Margaret Davidson AM	6	7
David James Watkins	6	7
David Andrew Eckert	7	7
Sarah Joy Keough	7	7

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the year

Under the Company's Constitution, the Board shall comprise not less than four (4) nor more than six (6) members. Further, there must be at least one (1) Independent Director at all times; such person not having any material interest in land or business activities in the region serviced by the pipeline and whose independent contribution benefits the Company.

4. Corporate Governance

The Creeks Pipeline Company Corporate Governance Plan, where relevant, aligns with the Corporate Governance principles developed by the Australian Stock Exchange.

The Board has operated within a CPC Risk Management Plan and 'Board Charter' which was reviewed and updated where necessary during 2025.

No compliance matters have arisen.

Directors' report (continued)

5. Non-executive director remuneration (Audited)

Directors' compensation currently totals $127,445 (FY2024: $122,584) per annum.

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel are:

		Short-term		Other long term		
		Salary & Fees $	Non-monetary benefits $	Super-annuation benefits $	Termi-nation benefits $	Total $
Directors Non-executive						
John Leslie Kerr	2025	38,100	-	4,381	-	42,481
	2024	36,812	-	4,049	-	40,861
Dianne Margaret Davidson	2025	19,050	-	2,191	-	21,241
	2024	18,406	-	2,025	-	20,431
David James Watkins	2025	19,050	-	2,191	-	21,241
	2024	18,406	-	2,025	-	20,431
Craig Hamilton Willson (Retired: 01/09/2023)	2024	3,068	-	337	-	3,405
David Andrew Eckert	2025	19,050	-	2,191	-	21,241
	2024	18,406	-	2,025	-	20,431
Sarah Joy Keough (Appointed: 01/09/2023)	2025	19,050	-	2,191	-	21,241
	2024	15,338	-	1,687	-	17,025

Director remuneration arrangements do not involve any short-term incentive work bonuses, past employment arrangements or share based payments.

Each key management person held the position described above for the entire reporting period.

Directors' report (continued)

6. Operating and financial review

Overview

The Company commenced operation in November 2009.

The Company continued the operation of its pipeline infrastructure and provision of water delivery services. A total of 15.8 gigalitres (FY2024: 12.7 gigalitres) of water was delivered in the twelve-month period to 30 June 2025.

Total revenue for the year was $4.27 million (FY2024: $3.60 million) with the Company generating an after-tax profit of $229,968 (FY2024: $317,688).

The Board has determined to allocate $250,000 (FY2024: $300,000) from Retained Earnings to the Infrastructure Replacement Reserve as part of a program to set aside funds for possible future asset replacement.

Capital Works

During FY2022, the Company commenced investigations into a possible solar farm with a view to reducing future power costs. The solar farm at Jervois was completed during the six months to 31 December 2024. It was operational from 12 December 2024. The total costs capitalised to the project to 30 June 2025 is $6,409,061.

Customer Rebate

Following favourable operating conditions during the year, in June 2025, the Board determined to rebate to customers an amount of $30 for each 1 megalitre of Peak Volume contracted on 30 June 2025. The total customer rebate provided for was $407,970.

7. Dividends

No dividends have been paid or proposed during the year.

8. Events subsequent to reporting date

No other matters have arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

9. Likely developments

The Board anticipates continuing to improve operating systems and outcomes during the year.

Directors' report (continued)

10. Directors' interests

The relevant interest of each director in the shares issued by the Company at the date of this report is as follows:

	The Creeks Pipeline Company Limited
	Ordinary Shares
David James Watkins	938,000
David Andrew Eckert	180,000

11. Indemnification & Insurance of Officers

The Company has agreed to indemnify all of the directors of the Company against all liabilities to another person that may arise from their position as directors of the Company except where the liability arises out of conduct involving lack of good faith. The agreement stipulates that the Company will meet the future amount of any such liabilities, including costs and expenses.

The Company has paid premiums amounting to $34,252 (FY2024: $36,787) to insure against such liabilities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome

- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

12. Lead auditor's independence declaration

The auditor's independence declaration is set out on page 45 and forms part of the directors' report for the financial year ended 30 June 2025.

13. Rounding of amounts

The Company is not of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission and therefore the financial report cannot be rounded off. The Company must show the amounts in the directors' report and financial report at the nearest whole dollar.

14. Environmental regulations

There are no significant environmental regulations that apply directly to the Company.

15. State of affairs

There were no significant changes in the state of affairs of the Company during the past financial year other than as disclosed in the financial statements.

Directors' report (continued)

This report is made in accordance with a resolution of the directors:

John Kerr
Chairman

Dated at Langhorne Creek this 26th day of August2025

David Watkins
Director

Dated at Langhorne Creek this 26th day of August 2025

The Creeks Pipeline Company Limited

Statement of Financial Position

As at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	*13*	869,210	958,900
Trade and other receivables	*12*	298,826	480,831
Inventories	*15*	537,983	532,628
Prepayments		38,514	37,065
Investments	*14*	3,225,452	5,133,011
Other assets	*16*	75,149	222,822
Total current assets		**5,045,134**	**7,365,257**
Non-current assets			
Property, plant and equipment	*10*	15,877,821	13,186,339
Deferred tax asset	*11*	718,696	872,874
Total non-current assets		**16,596,517**	**14,059,213**
Total assets		**21,641,651**	**21,424,470**
Liabilities			
Current liabilities			
Trade and other payables	*19*	263,418	179,833
Employee benefits	*21*	69,913	78,120
Total current liabilities		**333,331**	**257,953**
Non-current liabilities			
Deferred tax liability	*20*	2,238,102	2,324,425
Employee benefits	*21*	2,687	4,530
Total non-current liabilities		**2,240,789**	**2,328,955**
Total liabilities		**2,574,120**	**2,586,908**
Net assets		**19,067,531**	**18,837,562**
Equity			
Issued capital	*18*	14,525,496	14,525,496
Reserves		4,530,000	4,280,000
Retained earnings		12,035	32,066
Total equity		**19,067,531**	**18,837,562**

The notes on page 18 to 43 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025	2024
Continuing Operations			
Revenue	4	4,278,420	3,602,692
Customer Rebate	4	(407,970)	(499,995)
Net Revenue		3,870,450	3,102,697
Cost of sales		(2,319,099)	(1,936,845)
Gross profit		**1,551,351**	**1,165,852**
Other income	5	79,900	77,226
Administrative expenses		(682,703)	(641,202)
Other expenses	6	(817,454)	(504,016)
Results from operating activities		**131,094**	**97,860**
Finance income	8	166,730	325,703
Net finance income		**166,730**	**325,703**
Profit before income tax		**297,824**	**423,563**
Income tax expense	9	(67,855)	(105,875)
Profit from continuing operations		**229,969**	**317,688**
Profit for the period		**229,969**	**317,688**

The notes on page 18 to 43 are an integral part of these financial statements.

The Creeks Pipeline Company Limited

Statement of Changes in Equity

For the year ended 30 June 2024

	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	-	317,688	-	317,688
Transfer to infrastructure replacement reserve	-	(300,000)	300,000	-
Total comprehensive income for the period	-	17,688	300,000	317,688
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of ordinary shares	-	-	-	-
Ordinary shares subscribed but not issued	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 30 June 2024	**14,525,496**	**32,066**	**4,280,000**	**18,837,562**

The notes on page 18 to 43 are an integral part of these financial statements.

The Creeks Pipeline Company Limited

Statement of Changes in Equity

For the year ended 30 June 2025

	Share Capital $	Retained Earnings $	Infrastructure Replacement Reserve $	Total Equity $
Balance at 1 July 2024	14,525,496	32,066	4,280,000	18,837,562
Total comprehensive income for the period				
Profit	-	229,969	-	229,969
Transfer to infrastructure replacement reserve	-	(250,000)	250,000	-
Total comprehensive income for the period	-	(20,031)	250,000	229,969
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Issue of ordinary shares	-	-	-	-
Ordinary shares subscribed but not issued	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 30 June 2025	**14,525,496**	**12,035**	**4,530,000**	**19,067,531**

The notes on page 18 to 43 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Cash receipts from customers		4,113,671	3,549,946
Cash paid to suppliers and employees		(2,750,450)	(2,947,305)
Cash generated from operations		1,363,221	602,641
Interest received		160,669	321,035
Net cash from operating activities	*17*	**1,523,890**	**923,676**
Cash flows from investing activities			
Proceeds on sale of plant and equipment		-	-
Acquisition of property, plant and equipment		(128,108)	(144,494)
Costs associated with solar farm development		(3,402,031)	(2,649,189)
Net cash (used in) investing activities		**(3,530,139)**	**(2,793,683)**
Cash flows from financing activities			
Proceeds from payment of restricted water agreements		9,000	24,000
Proceeds / purchase of term deposits		1,907,559	1,886,900
Net cash from financing activities		**1,916,559**	**1,910,900**
Net increase (decrease) in cash and cash equivalents		**(89,690)**	**40,893**
Cash and cash equivalents at 1 July		958,900	918,007
Cash and cash equivalents at 30 June	*13*	**869,210**	**958,900**

The notes on page 18 to 43 are an integral part of these financial statements.

The Creeks Pipeline Company Limited

Consolidated Entity Disclosure Statement

For the year ended 30 June 2025

Subsection 295(3A)(a) of the Corporations Act 2001 does not apply to the Company as the Company is not required to prepare consolidated financial statements by Australian Accounting Standards.

Notes to the Financial Statements

1. Reporting entity

The Creeks Pipeline Company Limited ("the Company") is a company domiciled in Australia. The address of the Company's registered office is 1507 Langhorne Creek Road Langhorne Creek SA 5255. The Company primarily is involved in the supply of water delivery services.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised by the Board of Directors on 26 August 2025.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

These financial statements are prepared on a going concern basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Notes to the Financial Statements (continued)

3. Material accounting policies

(a) Financial instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

(ii) Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Notes to the Financial Statements (continued)

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

on the basis of the two primary criteria:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

Notes to the Financial Statements (continued)

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

(iii) Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements (continued)

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs (see below). Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Notes to the Financial Statements (continued)

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- infrastructure (pipelines) 75 years
- pump stations 25 years
- plant and equipment 5 - 12 years
- fixtures and fittings 5 - 10 years
- motor vehicles 8 – 10 years
- software 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Notes to the Financial Statements (continued)

(i) Intangible assets

(i) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(ii) Impairment

AASB 9 replaces the 'incurred loss' model in AASB 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under AASB 9 credit losses are recognised earlier than under AASB 39.

For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company does not expect to recognise any impairment in relation to trade receivables based on past history. The Company has not experienced any credit loss over the history of its operations and does not expect to in the future.

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Notes to the Financial Statements (continued)

The Company use the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach
Under the general approach, at each reporting period, the Company assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit impaired approach
For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Company measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Notes to the Financial Statements (continued)

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Company applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(iii) Employee benefits

(i) Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised in the statement of financial position.

Notes to the Financial Statements (continued)

(ii) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporated anticipate future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations due to change in assumptions for other long-term employee benefits, the net change in the obligations due to change in employee benefits expense in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(iv) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(v) 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.

(vi) Revenue

The core principle of AASB 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step model:

1. Identify the contract with a customer;
2. Identify the separate performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to each performance obligation identified in Step 2; and
5. Recognise revenue when a performance obligation is satisfied.

Notes to the Financial Statements (continued)

Where there is variable consideration in calculating a transaction price, revenue will only be recognised if it is highly probable that a significant revenue reversal will not subsequently occur. AASB 15 applies to contracts with customers except for revenue arising from items such as financial instruments, insurance contracts and leases.

(i) Sale of water

Revenue from the sale of water is recognised (net of discounts and allowances) when water passes through the customer's meter and the risks and rewards of ownership have therefore passed to the customer.

Revenue is only recognized where it is highly probable that a significant reversal of revenue will not occur.

The Company's payment terms are 30 days from the invoice date and accordingly there is no financing element to the Company's sales.

Once water passes through the customer's meter, the Company recognizes receivable as this represents the point in time at which the Company's right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(ii) Services

Revenue from the provision of services is recognized at a point in time which is the completion of all repair work.

The amount of revenue recognized is the amount as agreed in writing between the parties prior to the service being provided in the repair contract. Any variations to this contract price is agreed with the customer prior to the work being performed.

A receivable in relation to these services is recognized when a bill has been issued, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(vii) Government grants

Government grants that compensate the Company for the cost of an asset are recognised as a reduction in the cost of the asset. Depreciation is based on the net carrying amount of the asset.

(viii) Finance income

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Notes to the Financial Statements (continued)

(ix) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Company does not distribute non-cash assets as dividends to its shareholders.

(x) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(xi) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company 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.

Notes to the Financial Statements (continued)

(xii) 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(xiii) Segment reporting

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

(xiv) Presentation of financial statements

The Company applies revised AASB 101 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

(xv) New, revised, or amending Accounting Standards and Interpretations adopted

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Standards Board (AASB) that are relevant to their operations and are effective for the current reporting period.

Notes to the Financial Statements (continued)

4. Revenue

	Note	2025 $	2024 $
Peak delivery sales		3,038,388	2,424,869
Off-peak delivery sales		1,116,653	1,075,846
Restricted water sales		123,379	101,977
		4,278,420	**3,602,692**
Customer rebate		(407,970)	(499,995)
		3,870,450	**3,102,697**

Timing of revenue recognition	**2025 $**			**2024 $**		
	Services transferred at a point in time	**Services transferred over time**	**Total**	**Services transferred at a point in time**	**Services transferred over time**	**Total**
Australia	4,278,420	-	4,278,420	3,602,692	-	3,602,692
Total Revenue	**4,278,420**	**-**	**4,278,420**	**3,602,692**	**-**	**3,602,692**

In June 2025, the Board determined to rebate to customers an amount of $30 for each 1ML of Peak Volume contracted on 30 June 2025.

5. Other income

	Note	2025 $	2024 $
Connection fees and upgrades		15,357	1,077
Insurance recoveries		30,795	52,149
Restricted water agreements		9,000	24,000
Solar's Large-scale Generating Certificate		45,939	-
Profit / (loss) on sale of assets		(21,191)	-
		79,900	**77,226**

Notes to the Financial Statements (continued)

6. Other expenses

	Note	2025 $	2024 $
Depreciation		817,454	504,016
		817,454	**504,016**

7. Personnel expenses

	Note	2025 $	2024 $
Wages and salaries		672,338	584,855
Contributions to superannuation plans		73,898	64,334
		746,236	**649,189**

8. Finance income

	Note	2025 $	2024 $
Interest income on loans and receivables		6,061	4,668
Interest income on bank deposits		160,669	321,035
Finance income		166,730	325,703
Net finance income recognised in profit or loss		**166,730**	**325,703**

9. Income tax expense/benefit

	2025 $	2024 $
Deferred tax expense		
Origination and reversal of temporary differences	88,888	(28,835)
Current year tax loss / (profit)	(156,743)	(77,041)
Total income tax (expense) / benefit	**(67,855)**	**(105,875)**
Profit for the period	229,968	317,688
Total income tax expense	67,855	105,875
Profit excluding income tax	297,823	423,563
Income tax using a tax rate of 25.0 percent	74,456	105,891
Movement in unrecognised temporary differences	(6,601)	(16)
Tax expense	**67,855**	**105,875**

Notes to the Financial Statements (continued)

10. Property, plant and equipment

	Note	Infrastructure $	Land and Easements $	Land and Buildings $	Motor Vehicles $	Furniture and Fixtures $	Plant and Equipment $	Software and Website $	Solar Farm $	Total $
Cost or deemed cost										
Balance at 1 July 2023	*a*	12,026,855	340,162	425,306	250,492	49,941	1,366,189	19,402	357,841	14,836,188
Additions		-	-	15,993	56,905	-	64,196	7,400	2,649,189	2,793,683
Disposals		-	-	-	-	-	-	-	-	-
Balance at 30 June 2024		12,026,855	340,162	441,299	307,397	49,941	1,430,385	26,802	3,007,030	17,629,871
Depreciation and impairment losses										
Balance at 1 July 2023		3,234,670	-	25,268	97,410	44,435	527,874	9,859	-	3,939,516
Additions		317,768	-	4,965	47,616	746	129,707	3,215	-	504,016
Disposals		-	-	-	-	-	-	-	-	-
Balance at 30 June 2024		3,552,438	-	30,233	145,026	45,181	657,581	13,074	-	4,443,532
Carrying amounts										
at 1 July 2023		8,792,185	340,162	400,038	153,082	5,506	838,315	9,543	-	10,896,672
at 30 June 2024		**8,474,417**	**340,162**	**411,066**	**162,371**	**4,760**	**772,804**	**13,728**	**3,007,030**	**13,186,339**

Note a: The original 2010 cost of the pipeline infrastructure was $93,263,272 of which $81,226,417 was recouped from the South Australia State Government under project funding agreements. The above structure reflects the Company's original and subsequent funding of infrastructure.

A fixed charge over the Company's irrigation pipeline and associated infrastructure was released by the Minister for Water Security on 30 June 2019.

Notes to the Financial Statements (continued)

10. Property, plant and equipment (continued)

	Note	Infrastructure $	Land and Easements $	Land and Buildings $	Motor Vehicles $	Furniture and Fixtures $	Plant and Equipment $	Software and Website $	Solar Farm $	Total $
Cost or deemed cost										
Balance at 1 July 2024	*a*	12,026,855	340,162	441,299	307,397	49,941	1,430,385	26,802	3,007,030	17,629,871
Additions		-	-	-	62,900	-	59,925	5,281	3,402,031	3,530,137
Disposals		-	-	-	(47,539)	-	-	-	-	(47,539)
Balance at 30 June 2025		12,026,855	340,162	441,299	322,758	49,941	1,490,310	32,083	6,409,061	21,112,469
Depreciation and impairment losses										
Balance at 1 July 2024		3,552,438	-	30,233	145,026	45,181	657,581	13,074	-	4,443,532
Additions		317,768	-	5,739	45,342	410	93,521	3,531	351,143	817,454
Disposals		-	-	-	(26,338)	-	-	-	-	(26,338)
Balance at 30 June 2025		3,870,206	-	35,972	164,030	45,591	751,102	16,605	351,143	5,234,648
Carrying amounts										
at 1 July 2024		8,474,417	340,162	411,066	162,371	4,760	772,804	13,728	3,007,030	13,186,339
at 30 June 2025		**8,156,649**	**340,162**	**405,327**	**158,728**	**4,350**	**739,208**	**15,478**	**6,057,918**	**15,877,821**

Note a: The original 2010 cost of the pipeline infrastructure was $93,263,272 of which $81,226,417 was recouped from the South Australia State Government under project funding agreements. The above structure reflects the Company's original and subsequent funding of infrastructure.

A fixed charge over the Company's irrigation pipeline and associated infrastructure was released by the Minister for Water Security on 30 June 2019.

Notes to the Financial Statements (continued)

11. Deferred tax asset

Deferred tax asset comprises temporary differences attributable to:-

	Note	2025 $	2024 $
Provision for annual leave		50,005	49,938
Provision for long service leave		22,595	32,710
Superannuation payable		5,023	10,520
Accrued audit fee		14,900	15,500
Unutilised tax losses		2,782,262	3,382,827
		2,874,785	3,491,495
Deferred tax asset		**718,696**	**872,874**

12. Trade and other receivables

	Note	2025 $	2024 $
Trade receivables due from related parties		24,968	971
Other trade receivables		273,858	479,860
		298,826	**480,831**
Current		298,826	480,831
Non-current		-	-
		298,826	**480,831**
<u>Days Outstanding</u>			
0 - 30 days		198,912	384,366
31 - 60 days		23,084	33,045
61 - 90 days		45,099	54,493
90+ days		31,731	8,927
		298,826	**480,831**

13. Cash and cash equivalents

	Note	2025 $	2024 $
National Australia Bank		840,475	930,169
ANZ		28,543	28,539
Cash on hand		192	192
		869,210	**958,900**

Notes to the Financial Statements (continued)

14. Investments

	Note	2025 $	2024 $
Term Deposits - National Australia Bank		3,225,452	5,133,011
		3,225,452	**5,133,011**

15. Inventories

	Note	2025 $	2024 $
Inventories		537,983	532,628
		537,983	**532,628**

Amount on inventories recognised as an expense during the period was $4,377.

16. Other assets

	Note	2025 $	2024 $
Project costs		5,000	5,000
Accrued income		70,149	110,686
GST refund		-	107,136
		75,149	**222,822**

Notes to the Financial Statements (continued)

17. Reconciliation of cash flows from operating activities

	Note	2025 $	2024 $
Cash flows from operating activities			
Profit for the period		229,968	317,688
Adjustments for:			
Depreciation		817,454	504,016
(Profit)/loss on sale of non-current assets		21,191	-
		1,068,613	821,704
Change in trade and other receivables		182,005	365,356
Change in inventories		(5,355)	(206,718)
Change in other assets		40,537	(307)
Change in prepayments		(1,449)	1,179
Change in trade and other payables		181,734	(184,889)
Change in deferred tax		67,855	105,875
Change in provisions and employee benefits		(10,050)	21,476
		455,277	101,972
Income tax paid		-	-
Net cash from operating activities		**1,523,890**	**923,676**

18. Capital and reserves

	Note	2025 $	2024 $
On issue at 1 July		14,525,496	14,525,496
Issue for cash		-	-
On issue at 30 June		**14,525,496**	**14,525,496**

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, rank equally with respect to the Company's residual assets and are entitled to one vote per share at meetings of the Company.

Infrastructure replacement reserve

The reserve has been established to provide for future infrastructure requirements associated with the major operating assets.

Notes to the Financial Statements (continued)

19. Trade and other payables

	Note	2025 $	2024 $
Other trade payables		228,850	143,685
Non-trade payables and accrued expenses		34,568	36,148
		263,418	**179,833**

20. Deferred tax liability

Deferred tax liability comprises temporary differences attributable to:-

	Note	2025 $	2024 $
Property, plant and equipment		8,952,411	9,297,701
		8,952,411	9,297,701
Deferred tax liability		**2,238,102**	**2,324,425**

21. Employee benefits

	Note	2025 $	2024 $
Current			
Annual leave		50,005	49,938
Long service leave		19,908	28,182
		69,913	78,120
Non-current			
Long service leave		2,687	4,530
		2,687	4,530
Total		72,600	82,650
Movement			
Opening balance		82,650	61,174
Arising during the year		33,490	48,672
Utilised		(43,540)	(27,195)
Closing balance		**72,600**	**82,650**

Notes to the Financial Statements (continued)

22. Related parties

Individual director's compensation disclosures

Information regarding individual director's compensation as required by Corporations Regulations 2M.3.03 is provided in the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Movement in shares

The movement during the reported period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including the related parties, is as follows:

	Held at 1 July 2024	Purchased	Sold	Held at 30 June 2025
Directors				
David James Watkins	938,000	-	-	938,000
David Andrew Eckert	180,000	-	-	180,000
	1,118,000	-	-	1,118,000

No shares were granted to key management personnel during the reporting period as compensation in 2025.

Notes to the Financial Statements (continued)

22. Related parties (continued)

Other related party transactions

	Note	Transaction value year ended 30 June 2025	2024	Balance outstanding as at 30 June 2025	2024
		$	$	$	$
John Leslie Kerr					
Capital Strategies Pty Ltd					
Expense / Creditor					
– Accountancy Fees		28,692	18,704	-	467
– Other Professional Services		-	-	-	-
David James Watkins					
Rankins Estate Pty Ltd as trustee for Rankins Estate Unit Trust					
Revenue / Debtor					
– Water Delivery Service		183,949	128,817	1,352	(24,179)
– Rebate Received		(28,140)	(34,487)	-	-
David Andrew Eckert					
PA, MJ & DA Eckert					
Revenue / Debtor					
– Water Delivery Service		55,999	53,155	(304)	104
– Rebate Received		(5,400)	(6,618)	-	-
TOTAL		**235,100**	**159,571**	**1,048**	**(23,608)**

Other related parties

Contributions to superannuation funds on behalf of directors and employees are disclosed in note 7.

Notes to the Financial Statements (continued)

23. Auditors' remuneration

	Note	2025 $	2024 $
Audit services			
Auditors of the Company			
William Buck:			
Audit and review of financial reports		24,250	23,250
Other services		-	-
		24,250	23,250

24. Financial Instruments

(a) Credit Risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Note	2025 $	2024 $
Cash and cash equivalents	13	869,210	958,900
Trade and other receivables	12	298,826	480,831
Investments	14	3,225,452	5,133,011
		4,393,488	6,572,742

Impairment losses

The aging of the Company's trade receivables at the reporting date was:

	2025 $	2024 $
0 - 30 days	198,912	384,366
31 - 60 days	23,084	33,045
61 - 90 days	45,099	54,493
90+ days	31,731	8,927
	298,826	480,831

The Company does not expect to recognise any impairment in relation to trade receivables based on past history. The Company has not experienced any credit loss over the history of its operations and does not expect to in the future.

Notes to the Financial Statements (continued)

24. Financial Instruments (continued)

(b) Liquidity Risk

The following are the contractual maturities of financial liabilities.

	Carrying	Contractual cash flows	6 months or less	6 - 12 months
Trade and other payables	263,418	(263,418)	(263,418)	-
	263,418	(263,418)	(263,418)	-

(c) Interest Rate Risk

Profile
At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2025 $	2024 $
Fixed rate instruments		
Financial assets - Investments	3,225,452	5,133,011
Variable rate instruments		
Financial assets - Cash and cash equivalents	869,210	958,900
	4,094,662	6,091,911

Fair value sensitivity analysis for fixed rate instruments
The Company does not account for any fixed rate financial asset at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Notes to the Financial Statements (continued)

25. Key Management Personnel

Key management personnel compensation included in 'personnel expenses' (see note 7) comprises:

	2025	2024
	$	$
Short-term employee and director benefits	265,556	110,436
Post employment benefits	27,647	12,148
	293,203	**122,584**

No key management personnel have entered into material contracts with the Company. There were no material contracts involving key management personnel interests existing at year end, other than water contracts entered into by the key management personnel as customers of the water project on the same terms and conditions as all other investors/customers.

26. Subsequent events

The Board has determined that there are no other matters occurring between 1 July 2025 and the date of signing this report are significant to require disclosure.

Directors' declaration

In the opinion of the directors of the Company:

1. the financial statements and notes set out on pages 12 to 43, are in accordance with the Corporations Act 2001 including:

   a) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and

   b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a);

3. 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.

William Buck
ACCOUNTANTS & ADVISORS

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

To the directors of The Creeks Pipeline Company Ltd.

As lead auditor for the audit of The Creeks Pipeline Company Ltd. for the year ended 30 June 2025, 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck (SA)
ABN 38 280 203 274

Matt King

M. D. King
Partner

Dated 26th day of August 2025
Adelaide, South Australia

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William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of The Creeks Pipeline Company Ltd.

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of The Creeks Pipeline Company Ltd (the Company), is in accordance with the *Corporations Act 2001*, including:

— giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

What was audited?

We have audited the financial report of the Company, which comprises:

— the statement of financial position as at 30 June 2025,

— the statement of comprehensive income for the year then ended,

— the statement of changes in equity for the year then ended,

— the statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement, and

— the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

— the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

— the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

— the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

— the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

William Buck

«WB_Entity»
ABN 38 280 203 274

M.D. King
Partner

Dated 26th day of August 2025
Adelaide, South Australia