Barossa Infrastructure
LIMITED

ANNUAL REPORT | **2022**

Corporate Directory

Domicile of Barossa Infrastructure Ltd: Australia

Barossa Infrastructure Ltd
incorporated in: South Australia

Legal form of Barossa Infrastructure Ltd:
Unlisted Public Company

Board of Directors
Robert Chapman (Chairman)
Grant Burge
Sam Dahlitz
Geoffrey Davis
Gayle Grieger
John Kerr
Timothy McCarthy
Victor Patrick

General Manager
Simon Schutz

Company Secretary
Geoffrey Davis

Corporate Adviser
Capital Strategies Pty Ltd
A.C.N. 008 181 173

Auditors
KPMG

Lawyers
Minter Ellison

Customer Service Centre
2 Basedow Road
Tanunda, SA 5352
Phone 08 8563 2300

Registered Office
A.C.N. 084 108 958
Barossa Infrastructure Ltd
C/- Level 3, 149 Flinders Street
Adelaide, SA 5000

Website
http://barossainfrastructure.com.au

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Year at a Glance

OPERATING PERFORMANCE

9,319ML delivered (down 18% on 2021)

Reliable system - minimal downtime

Security of supply paramount - goal achieved

COVID impact on operations minimal

FINANCIAL PERFORMANCE

Profit for year **$1.15** million

$1.75 million
Cost of leasing River Murray Water Rights - down $0.75 million on prior year

Bank debt paid down to **$1**

Strong cash position **$5.5** million

Unrealised gain on owned River Murray Water Entitlements **$15** million

LONG TERM SECURITY OF SUPPLY

Customer contracts to **2040**

Water Transport Agreement to **2040**

Both renewable to **2060**

River Murray Water Rights owned or long term leased **7,617ML**

Chairman's Report September 2022

A cool summer following an average winter rainfall meant that water delivered for the 2022 financial year was approximately 82% of the contracted volumes for the scheme. This resulted in a lower profit but the Company remains in a strong financial position.

Consideration of Further Expansion and Recycled Water

The Company has continued to receive Expressions of Interest for additional water, predominately from existing customers.

The Barossa New Water (BNW) Detailed Business Case (DBC) has been the State's focus with respect to additional water to the Barossa region. BIL contributed heavily through community workshops, directly with the State's DBC consultant, directly with the State Government agencies delivering the DBC and via an Infrastructure SA review of the project. Our direct involvement was and continues to be contingent on a confidentiality agreement which limits what we can share.

In parallel, the Company developed half a dozen alternate project scopes that target the delivery of water to Barossa and Eden valleys from the River Murray. These were progressed to varying degrees and detailed discussions were progressed with a potential project partner to determine the financial and technical viability of an option.

There can be no guarantees that an additional water supply will be delivered, however BIL is and will continue to use its best endeavours to ensure the merits of projects are properly explored, including the viability of a further 2GL as contemplated under the current Water Transport Agreement.

In August 2021, BIL met with the then Federal Minister for Resources, Water and Northern Australia, the Hon. Keith Pitt MP and the local Federal Member for Barker, Tony Pasin MP, where they provided advice to BIL on two potential funding sources. In November 2021, further discussions on funding were had with Minister Pitt and Tony Pasin MP, plus former State Water Minister David Speirs and the now Member for Schubert, Ashton Hurn.

BIL and Board members have also met and discussed the issues and options with the Minister for Primary Industries, Regional Development, Forestry, the Hon. Clare Scriven, Damien Walker (CEO of the Department of Premier and Cabinet), the former Premier Hon. Steven Marshall MP, Hon. Rob Lucas (former Treasurer), David Ryan (CEO) and other senior managers at SA Water.

It is important to reiterate that there can be no guarantees that an additional water supply will be delivered, however BIL is and will continue to use its best endeavours to ensure the merits of projects are properly explored.

River Murray Water Rights

It is a requirement that the Company holds River Murray water allocations for all water transported to BIL by SA Water. The Company holds a mix of entitlements that are owned, on long term leases and forwards, with temporary allocations purchased as needed to meet varying customer demands. The mix of entitlements is also spread over several trading zones on the River Murray, with the majority from South Australia.

With security of supply being imperative, the Company took the proactive step in the 2021/22 financial year of purchasing forward water allocations that will provide 2,000ML of delivered water in the 2022/23 and 2023/24 financial years.

Water market allocation prices were considerably lower than the year before due to improved rainfall in the whole Murray Darling Basin, which was welcomed. Our allocation purchases, along with 4.6 GL of water on long term leases and forwards, resulted in a total cost of water leases for the financial year of $1.7 million, considerably down on the $2.5 million for 2020/21 and $4.98 million for the year prior.

Again, no entitlements were purchased in 2021/22 due to continued high prices and uncertainty about potential expansion options. BIL's historical average cost of the 2,972ML of owned entitlements is $2,228ML, whilst the market price throughout the year was approximately $7,800ML. The Board revised the strategy of water held as either owned, long term leases or multi-year forwards as a percentage of the customer contracted volumes of water from 70% to 80%. On 1 July 2022 that holding was 81%.

Financial

The Company made an after tax profit of $1,147,050 for the year, compared to the 2021 profit of $2,707,929.

The lower profit is directly attributed to the reduced delivery of water partly offset by a further reduction in the cost of leasing water – down some $0.75 million on the prior year.

Net assets are reported at a healthy $22,706,396, up from $21,559,436 in 2021.

The bank loan facilities were paid down to $1 during the year with the right to redraw should the funds be required for a new water project or the acquisition of River Murray Water Rights. After the repayment of $7.28 million the Company holds a healthy $5.5 million of cash at year end and is in a position to move quickly when a new water project is identified.

As reported last year, BIL's current water price does not fully recover cash operating costs by approximately $30/ML, depending on the cost of leasing River Murray Water Rights. The Board advised that it intended to incrementally adjust water prices over three years to recover all cash operating costs by the commencement of the 2022/23 water year i.e. from 1 October 2022. The adjustment of $25/ML to the water price for the 2022 water year achieved much of the required catch up – the Board continues to monitor any shortfall.

HSE

Incidents at Fromm Square by SA Water's contractors were investigated by BIL, SA Water and the contractors. Fortunately no one was injured. SA Water has taken steps to ensure similar incidents do not reoccur. No environment issues were reported to the Board.

Corporate Governance

The Company, as a part of the Barossa, is committed to the long term sustainability of supplementary irrigation of Barossa vineyards. This is achieved through monitoring the environmental risks, providing additional water to customers to meet climate change, keeping prices as low as possible and planning for future maintenance and replacement of assets.

A Board Charter, including a Board Code of Conduct and a Risk Action Plan were developed and implemented. The Board's calendar of business was updated and a Board skills matrix review has identified target skills and experience for future Board members.

Robert I Chapman
Chairman

13 September 2022

Water Use and Availability

Average to above average rainfall in the Barossa Valley through winter and spring 2021 resulted in low BIL customer water use over the same period. Water use in December 2021 and January 2022 remained relatively low despite very low rainfall in December.

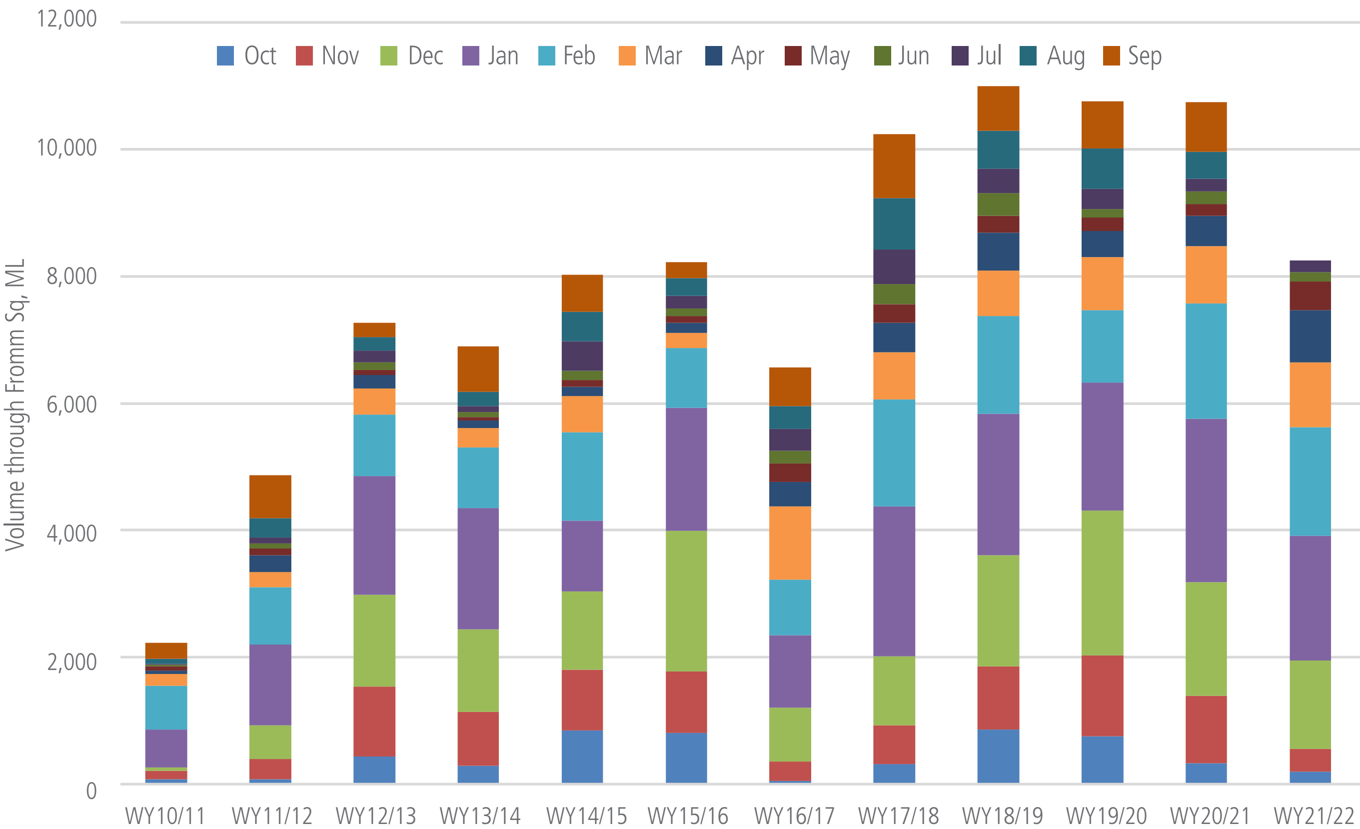
However, the combination of substantially below average to average rainfall in summer and autumn, and an extended vintage, resulted in BIL's monthly supply volume to customers in February being the second highest February in the scheme's history (the highest was in 2021), while March was the second highest March in the scheme's history (the highest was in 2017). This was then followed by our largest April and May.

In financial year 2021/22 BIL supplied its customers 9,319ML which was down 18% on the 11,368ML supplied for the 2020/21 financial year.

The chart below of BIL water use per month, grouped into Water Years for the past 12 years, shows that this Water Year remains considerably behind the previous three years but in line with 2017/18.

BIL's River Murray entitlement allocations for financial year 2021/22 opened strongly and reached full allocations. BIL was able to time purchases of allocations

Volume through Fromm Sq, ML, Oct-Aug WY10/11 to WY21/22



to avoid peak prices, which were kept low by good rainfall across the Murray Darling Basin that resulted in both increased supply and decreased demand.

The significant rainfall across the Murray Darling Basin during summer and autumn 2022 resulted in Basin storages being at their highest level at the beginning of winter 2022 since Dartmouth Dam was completed in 1979 (the previous highest was in 2012), and this is before the winter and spring period when the Basin typically receives most if its rainfall. Allocations for 2022/23 opened strongly and are projected to reach 100% in spring 2022.

Operations

BIL's network of pipes, pumps, a water storage and valves operated well throughout the year. There were no major failures, faults or supply outages and we thank customers for their patience during a small number of minor outages.

A large number of customer water connection telemetry units (i.e. WASP) failures occurred in autumn and winter 2022, primarily due to flat batteries (i.e. end of life) or, counterintuitively, because the new generation units are too energy efficient (which caused battery issues). Infrastructure Maintenance Services (IMS) have undertaken considerable work in conjunction with the WASP supplier to identify fixes and workarounds to minimise the impact to BIL and our customers. Global supply chain issues delayed manufacture of replacement units, but it is expected that customers will be back online by September 2022.

Water quality from the Warren reservoir remained poor and resulted in an increased workload for IMS, particularly over summer, to keep valve filters clean and valves operating effectively. I am in discussions with SA Water to identify and then hopefully mitigate the cause of the increased suspended solids load. Water sampling and laboratory analysis occurred before and after source water changes to assist in these investigations which are ongoing.

Customer callouts throughout the year remain low, which is interpreted as a sign the scheme is meeting expectations.

Regional Involvement

The Murray Darling Basin Plan has a number of significant deadlines and reviews in the next few years. I am directly and indirectly (through South Australian Murray Irrigators and National Irrigators' Council) involved in advocacy with other irrigators to State and Federal governments that will help shape how remaining elements of the Plan are implemented.

BIL is a Tier Three (minor) partner of the recently announced One Basis CRC, which is a focused collaboration of industry, government and academia, developing policy, technical and financial solutions to support and reduce exposure to climate, water and environmental threats in the Murray-Darling Basin. Our involvement allows us to access and benefit from the knowledge developed over the 10 year life of the CRC.

BIL advocated for proposed changes to the carryover provisions within the River Murray Water Allocation Plan that will benefit irrigators during times of drought. These changes are currently before the Landscape Board, after which they will go before the Water Minister for approval.

SA Water

SA Water's Fromm Square upgrade works are practically complete. SA Water can now supply BIL raw water from the Warren Reservoir or filtered and chloraminated water from the Swan Reach system, or now a blend of both. The Swan Reach system's maximum flow rate was increased and remotely actuated valves were installed. SA Water achieves greater operational flexibility, while BIL receives greater security of supply.

I would like to thank Water Treatment Engineering's Chris Hoare and IMS's Caleb Staehr and Steve Dewar for their efforts ensuring BIL's interests were prioritised during construction and commissioning.

General Manager's Report September 2022

SA Water's Warren Reservoir outlet upgrade works were delayed from winter 2022 and will now be undertaken in winter 2023. At my request, SA Water are keeping BIL informed of and are seeking our input into the design, programme and mitigation measures of these works. The Fromm Square upgrade works will allow SA Water to better manage supply to BIL during this period and SA Water has assured BIL there will be no interruption to supply.

Recycled Water and Groundwater

Barossa Council supplied BIL 288ML of treated recycled water in 2021/22, which represents 17% of the total water supplied to Gomersal Road customers and 2.6% of the total water supplied to BIL customers. For most of the year this was significantly diluted with River Murray water. BIL's annual recycled water audit report for SA Health is published on the Company's website.

BIL had a specialist prepare a groundwater monitoring report to identify changes (if any) in groundwater level and salinity that could be attributed to irrigation with BIL water. The report concluded that since the inception of the scheme, trends associated with the level and salinity of groundwater within the upper sedimentary aquifer "do not indicate any negative impacts to the resource". This report is published on the Company's website.

Customers and Staff

Lisa Buckley and Neville Skipworth have again provided wonderful service to BIL and BIL customers. Thank you. I also extend my thanks to Borvin Kracman who has been heavily involved in the investigations into additional water and changes that would be required to BIL's infrastructure.

As always, I encourage customers to contact me if you would like to discuss any aspect of BIL.

Simon Schutz
B.E. (Civil) (Hons), B.Sc., CPEng
General Manager

13 September 2022

Directors' Report

The Directors present their report together with the financial report of Barossa Infrastructure Limited ("the Company") for the financial year ended 30 June 2022 and the auditor's report thereon.

Directors

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

Name, Qualifications and Independence Status	Experience and Special Responsibilities
Grant Walker Burge Director *Appointed 14 September 1998* 	Vigneron Chief Executive Burge Corp Pty Ltd, Burge Barossa Pty Ltd, Illaparra Winery Pty Ltd, Burge Vineyard Services Pty Ltd SA Vintners Pty Ltd Burge Pastoral Co Pty Ltd, Burge Estates Barossa Valley Strategic Water Management Study 'Vision 2045' Baron of the Barossa – Inducted 1990 and Current Grand Council Member Former Chief Executive Grant Burge Wines Pty Ltd Past Director Krondorf Ltd, Mildara Ltd, Rycroft Vineyards Pty Ltd, Grant Burge Wines Pty Ltd Past Member Barossa Water Resources Board Past Councillor The Barossa Council Past President & Committee Member Barossa Winemakers Association Past Committee Member SA Wine Industry Association Past Committee Member Barossa Tourism Association Past Committee Member Lyndoch Football Club Patron Lyndoch Cricket Club Major Sponsors Barossa & Light and Gawler Football Association
Robert Ian Chapman Independent Director Assoc Dip Bus, FAICD, F Fin **Chairman** *Appointed 4 June 2012* *Member Executive Committee* 	Chairman Chapman Capital Partners Chairman T-Ports Director EFA 2019 - present Adelaide Football Club (Chairman 2008 – 2020) Director Coopers Brewery 2017 - present Past President of Business SA - (2005/07) Past President of CEDA SA – (2003/06) Past Chief Executive Officer St. George Group (2010/12) Past Managing Director Bank SA (2002/10) Past Regional General Manager, WA, SA, NT Commonwealth Bank of Australia Past Chairman Kelly & Co Business Advisory Panel (2012) Past Chairman Bank SA Advisory Board (2012)

Directors' Report

Name, Qualifications and Independence Status	Experience and Special Responsibilities

Samuel Paul Dahlitz
Director
Appointed 29 April 2019

Vigneron and Vineyard Contractor
Director Stonewell Contracting Pty Ltd
Director Dahlitz Estate Pty Ltd
Director Hallett Valley Vineyards Pty Ltd
Director Stonewell Vintners Pty Ltd
Committee Member Lone Pine Tanunda Branch of Agricultural Bureau of SA 1993-2019
Barons of Barossa Vigneron of the Year 2013

Geoffrey Maxwell Davis
B Ec, FCA, CTA
Independent Director
Company Secretary
Appointed 3 August 1999
Member Executive Committee

Chartered Accountant, Principal Geoff Davis & Associates
Past Chairman AC Johnston Pty Ltd (Pirramimma Wines)
Past Partner Ernst & Young
Board Member of Sevenhill Cellars
Past Chair of Saint Ignatius College Council
Past Member SA Egg Board

Gayle Robin Grieger
B Sc (Hon), PhD
Independent Director
Appointed 2 February 2004

Environmental Policy and Planning Manager,
Department for Environment and Water
Member Australian Soil Science Society
Past Member Australian Society of Viticulture & Oenology
Past Committee Member 7th South Australian Rural Women's Gathering

Name, Qualifications and Independence Status	Experience and Special Responsibilities
John Leslie Kerr Independent Director B Ec, FCA, F Fin *Appointed 2 May 2017* *Member Executive Committee* 	Chartered Accountant Director – Capital Strategies Pty Ltd Director – Capital Family Office Pty Ltd Chair – The Creeks Pipeline Company Ltd Past Member – Premier's Climate Change Council (2008-2011) Past Board Member – Cancer Council of South Australia Inc (2003-2010) Past Chair – Advisory Board – South Australia Centre for Economic Studies (2000-2008)
Timothy James McCarthy Director *Appointed 28 February 2017* 	Vigneron Director Janimiti Pty Ltd Viticulture Operations Manager – Pernod Ricard Winemakers Past Barossa Grape and Wine Association Board Member Past Grape Barossa Committee Member Past Member Coonawarra Grape Growers Committee Past Member Padthaway Grape Growers Committee Past Member Limestone Coast Wines Technical Committee 2015-2011 National Vineyard Manager, Pernod Ricard Winemakers 2011-2007 Regional Manager South East, Pernod Ricard Winemakers 2007-2005 Vineyard Manager Yarra Valley, Fosters Group

Name, Qualifications and Independence Status	Experience and Special Responsibilities
Victor John Patrick Independent Director *Appointed 28 April 2008* *Member Executive Committee* 	Director Graymoor Estate Joint Venture Director Farmer Eden Valley/Kalangadoo Diploma – Viticulture, Vinification, Wine Chemistry & Technology Oenological Diploma Agriculture Inducted to Barons of Barossa - 2021 Order of Australian Medal - 2018 Roseworthy Old Collegians Assoc. – Award of Merit - 2012 Past 2004-1996 Director Viticulture Foster's Group Past 1996-1987 Director Global Viticulture Mildara Blass Ltd Past 1987-1985 Ass. General Manager Vineyards Southcorp Wines Past Chairman Wine Grape Growers Australia Past Member Wine Grape Council of SA Past Member SA Wine Industry Assoc. Environment Committee Past Member University of Adelaide School of Agriculture Food & Wine Advisory Board Past Chairperson SE Soil Conservation Board Past Chairperson SA Wine Industry Council Past President SA Wine Industry Association Past Member SA Soil Conservation Board Past Member Lower SE Water Resources Committee Past Member SE Catchment Management Board Past Member SA Water Resources Council

Directors' Meeting Attendance

For the year ended 30 June 2022, there have been 7 meetings of Directors. Those Directors and their attendance at meetings are as follows:

Director	Board Meetings	
	A	B
G W Burge	7	7
R I Chapman	7	7
G M Davis	7	7
S P Dahlitz	7	7
G R Grieger	6	7
J L Kerr	7	7
T J McCarthy	7	7
V J Patrick	7	7

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

Principal Activities

The principal activities of the Company during the year consisted of:

- The delivery of water to customers from the pipeline
- The continual addressing of technical and operating matters to ensure the reliable operation of the pipeline system
- Securing sufficient River Murray Water Rights to enable delivery of water in accordance with the water transport agreement with SA Water

Review of Operations

The net profit after providing for income tax amounted to $1,147,050 (2021: $2,707,929). No water restrictions applied to River Murray Water Rights for the 2022 year and customers were entitled to take 100% of their contracted amounts. The cooler summer meant a later vintage and water consumption remaining strong later in the year. Nevertheless, volumes used were down 18% or 2,049ML and sales down $1,933,982 compared to the 2021 financial year which was BIL's second highest delivery of water at 11,368ML. The cost of leasing temporary water rights decreased further and significantly offset much of the fall of income from the reduced demand for water.

The Company has been in a most fortunate position where the COVID 19 pandemic has not had any impact on operations to 30 June 2022, and at this stage the Board does not foresee any future significant impact. Trade debtors are monitored closely and no individual customer debt is permitted to exceed the value in their contract that BIL could on sell to recoup the debt should a customer experience financial distress. The operations have not been affected by closed borders however longer lead times are being felt in supply chains. The company increased its holding of maintenance spares to mitigate against this risk.

State of Affairs

Loan facilities have been entered into to part finance the expansion project and acquire additional River Murray Water Rights. The bank loan facilities have been drawn down to $11,000,050. As a result of surplus cash reserves, repayments of $7,284,049 were made during the year, leaving a balance at 30 June 2022 of $1. A redraw facility of $5,426,049 was negotiated to enable funding of future expansion projects that may evolve.

No share capital was issued during the year and total share capital at 30 June 2022 is $15,395,637.

Continued expansion of plantings in the Barossa, plus the demand for additional water after two drought years reducing subsoil moistures, and the expected impact of climate change, provides a continued demand for water and the need to expand the scheme to meet customer demand.

For the impact of COVID 19, please refer to the statement under 'Review of Operations'.

In the opinion of the Directors there were no other significant changes in the state of affairs in the Company that occurred during the financial year under review.

Directors

Total compensation for all Directors, last voted upon by shareholders at the 2017 AGM, is not to exceed $210,000 per annum. Directors' fees and the 10% super guarantee for 2022 amounted to $200,325.

Environmental Regulation

The project for delivery of River Murray Water to the Barossa Region is subject to strict environmental regulation. Initially an independent consultant prepared the environmental report to assist in the Company's application to the Development Approval Commission and the relevant Water Catchment Board. Environmental approvals have been obtained for the expanded supply of 11GL. The Company works closely with the Department for Environment and Water and Landscape South Australia Northern and Yorke for ongoing monitoring of water usage and changes in water tables.

Likely Developments

The objective of the Company continues to be the reliable delivery of quality water to its customers at the lowest appropriate commercial price. The Company will complete its twentieth full "water year" on 30 September 2022.

In addition, BIL continues to seek alternative sources of water of similar quality and cost to reduce the dependency on the River Murray. Discussions in respect of this are ongoing.

Indemnification

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 $15,339 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

Water Allocations for 2022

The State Government announced on the 15th June 2022 that 100% of water allocations would apply for the 2023 year.

Events Subsequent to Reporting Date

Other than the matters discussed above, there has not 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 years.

Corporate Governance

The Company strives for best practice in this area through a structure of rules, practices and processes used to direct and manage its operations. The basic principles of its governance are accountability, transparency, fairness and responsibility to ensure it acts in the best interests of shareholders, suppliers, staff, other stakeholders and the Barossa community.

The Company's constitution requires that at least two Directors are "independent' in that they have no financial or other interest in vineyards or wineries in the Barossa. The Board has adopted and recently reviewed a skills matrix to identify the skills and experiences required as it implements its ongoing Board renewal program.

A Risk Management Plan has been adopted and is continuously reviewed and approved by the Board. Risks are identified and a plan to remove, manage or otherwise mitigate the risk is put in place. Risks include Work, Health and Safety, environmental risks, climate change, the critical Water Transport Agreement, River Murray Water allocations and the health of the Australian Wine Industry and sustainability.

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

The Auditor's Independence Declaration by KPMG is set out on page 44 and forms part of the Directors' Report for the financial year ended 30 June 2022.

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

R I Chapman
Director

G M Davis
Director

Tanunda, S.A.
13 September 2022

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 $	2021 $
Sale of Water		8,718,855	10,652,837
Cost of Sales		(9,305,050)	(10,842,067)
Gross Loss		(586,195)	(189,230)
Infrastructure Levies Revenue		3,360,388	3,348,939
Other Income		-	4,981
Administrative Expenses		(1,120,591)	(1,177,460)
Results From Operating Activities		1,653,602	1,987,230
Financial Income		6,079	16,852
Financial Expenses		(75,029)	(206,962)
Net financing expense		(68,950)	(190,110)
Profit Before Tax		**1,584,652**	1,797,120
Income Tax (Expense)/ Benefit	4 (a)	(437,602)	910,809
Profit After Tax		**1,147,050**	2,707,929
Total Comprehensive Income		**1,147,050**	2,707,929

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2022

	Attributable to equity holders of the Company		
	Issued Capital $	Retained Earnings $	Total Equity $
Balance at 1 July 2020	15,395,637	3,455,780	18,851,417
Total comprehensive income			
Profit after tax	-	2,707,929	2,707,929
Balance at 30 June 2021	15,395,637	6,163,709	21,559,346
Balance at 1 July 2021	15,395,637	6,163,709	21,559,346
Total comprehensive income			
Profit after tax	-	1,147,050	1,147,050
Balance at 30 June 2022	15,395,637	7,310,759	22,706,396

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 *Restated $
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	5,539,442	9,356,046
Trade and Other Receivables	6	1,360,672	1,410,650
Other Assets	7	2,898,808	1,971,497
Total Current Assets		**9,798,922**	12,738,193
Non-current Assets			
Other Assets	7	10,388,862	10,893,149
Property, Plant and Equipment	8	17,171,925	18,394,296
Intangible Assets	9	7,199,966	7,201,522
Right of Use Assets	13	127,504	27,054
Deferred Tax Asset	4 (c)	473,207	910,809
Total Non-current Assets		**35,361,464**	37,426,830
TOTAL ASSETS		**45,160,386**	50,165,023
LIABILITIES			
Current Liabilities			
Trade and Other Payables	10	549,653	417,080
Employee Benefits	15	51,633	50,391
Lease Liabilities	13	36,718	9,637
Loans & Borrowings	11	-	1,858,000
Contract Liabilities	16	3,480,734	3,477,872
Total Current Liabilities		**4,118,738**	5,812,980
Non-current Liabilities			
Employee Benefits	15	5,016	-
Lease Liabilities	13	92,549	17,507
Loans & Borrowings	11	1	5,426,050
Contract Liabilities	16	18,237,686	17,349,140
Total Non-current Liabilities		**18,335,252**	22,792,697
TOTAL LIABILITIES		**22,453,990**	28,605,677
NET ASSETS		**22,706,396**	21,559,346
EQUITY			
Issued Capital	12	15,395,637	15,395,637
Retained Earnings	12	7,310,759	6,163,709
TOTAL EQUITY		**22,706,396**	21,559,346

**Comparative Information has been restated to reflect the change in accounting policy detailed in Note 1(p).*

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Customers		12,329,084	15,943,699
Cash Paid to Suppliers and Employees		(8,718,181)	(10,360,479)
Cash from Operating Activities		3,610,903	5,583,220
Interest Received		8,985	13,035
Interest Paid		(65,303)	(208,215)
Net Cash from Operating Activities	14	**3,554,585**	5,388,040
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment		(87,140)	(67,288)
Net Cash used in Investing Activities		**(87,140)**	(67,288)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Government Grants		-	65,592
Repayment of Borrowings		(7,284,049)	(1,858,000)
Net Cash used in Financing Activities		**(7,284,049)**	(1,792,408)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(3,816,604)**	3,528,344
Cash and Cash Equivalents at 1 July		9,356,046	5,827,702
Cash and Cash Equivalents at 30 June	5	**5,539,442**	9,356,046

The accompanying notes form part of these financial statements

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Barossa Infrastructure Limited (the "Company") is a company domiciled in Australia. The financial statements were approved by the Board of Directors on 13th September 2022. The Company is a for-profit entity.

(a) Basis of Accounting

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(b) Basis of Measurement

The financial statements are presented in Australian dollars and have been prepared on the historical cost basis.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 July 2022, however they do not have a material effect on the Company's financial statements.

(c) 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- note 1 (d) – revenue from contracts with customers and infrastructure levies under AASB 15
- note 1 (i) and (j) – useful lives of fixed assets, intangibles and amortisation

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

(d) Revenue Recognition

Revenue is recognised when the Company transfers control of the goods or service to the customer. Revenue is recognised to the extent, there is no future obligation. Where there is future obligation, a portion is deferred over the expected contract period. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer. The Company's revenue does not have a significant financing component so the transaction (invoice) price is considered to be their amortised cost.

Note 1 continued overleaf

Note 1:STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

The Company's revenue is disaggregated by major products and services. The Company's main revenue streams are as follows:

Sale of water

For the sale of water, revenue is recognised when the water passes through the customer's meter and the related risks and rewards of ownership transfer.

Unused water

The estimated water charge for unused water is spread lineally over the water year at any financial reporting date.

Infrastructure levies

The customer contract for the supply of water requires the payment of levies based on the quantity of water contracted. Revenue from infrastructure levies is recognised over the contract term, including renewals.

Finance Income

Finance income comprises interest income on funds invested and interest charged on overdue accounts in accordance with the customer contract. Interest income is recognised as it accrues in Statement of Profit or Loss, using the effective interest method.

Sale of Non-current Assets

The gain or loss on non-current asset sales is recognised as revenue or expense at the date in which control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Contract Balances

Information about receivables and contract liabilities from contracts with customers are disclosed in Note 6 and Note 16 respectively.

(e) Goods and Services Tax

Revenues, 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 balance sheet.

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.

Note 1:STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(f) Finance Expenses

Finance expenses comprise interest expense on borrowings and amortisation of ancillary costs incurred in connection with arrangement of borrowings.

Interest payments in respect of financial instruments classified as liabilities are included in finance expenses.

Finance costs are expensed as incurred.

(g) Income Tax – Note 4

Income tax expense comprises current and deferred tax. Current and deferred tax is 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 assets and liabilities are offset only if certain criteria are met.

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:

- temporary differences on 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

- unused tax losses to the extent that it is not probable that future tax profits will be available against which they can be used

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(h) Financial Instruments

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Note 1 continued overleaf

Note 1:STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

The Company classifies its financial instruments as financial assets at amortised cost and financial liabilities at amortised cost. The classification depends on the purpose for which the financial instruments were acquired, which is determined at initial recognition based upon the business model of the Company.

The Company has the following non-derivative financial assets:
Cash and cash equivalents
Loans and receivables

(ii) Non-derivative financial assets - measurement

Amortised Cost

The Company classifies its financial assets at amortised cost if the asset is held with the objective of collecting contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. These include trade receivables and bank term deposits. Bank term deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are financial assets at amortised cost and are included in current assets, except for those with maturities greater than 12 months after the reporting date.

(iii) Non-derivative financial liabilities - measurement

On initial recognition, the Company measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. After initial recognition trade payables and interest bearing loans and borrowings are stated at amortised cost.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iv) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with AASB 112.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(i) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition, less accumulated depreciation and any accumulated impairment losses.

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

Any gain or loss on disposal of property, plant and equipment is recognised in profit or loss.

The costs of assets constructed or internally generated by the Company, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Complex Assets

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

Useful Lives

All assets, excluding River Murray Water Rights, have limited useful lives and are depreciated over their estimated useful lives on a prime cost or diminishing value basis.

Assets are depreciated from the date they are installed and ready for use, or in respect of internally constructed assets, from the date an asset is completed and held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed.

The depreciation rates used for each class of asset are as follows:

	2022	2021
Pipeline & Installation	3.75% - 40%	3.75% - 40%
Water Storage – 500ML	8.99% - 20%	8.99% - 20%
Pumps & Installation	3.75% - 50%	3.75% - 50%
Meters & Installation	10% - 40%	10% - 40%
Office Furniture & Equipment	7.5% - 100%	7.5% - 66.6%
Motor Vehicles	16.6% - 25%	16.6% - 25%
Leasehold Improvements	2.5% - 100%	2.5% - 13.3%

Note 1 continued overleaf

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(j) Intangible Assets

(i) River Murray Water Rights

River Murray Water Rights, that are acquired by the Company and are considered to have an indefinite life, are stated at cost less any impairment losses (see 1(k)). The Company is required to test intangible assets for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible asset may be impaired.

(ii) Other Intangible Assets

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

(iii) 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 is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The amortisation rates for the current and comparative periods are as follows:

	2022	2021
Software	20 %	20%

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Impairment

(i) Non-derivative financial assets

The Company considers evidence of impairment for financial assets measured at both a specific asset and a collective level. All individually significant assets are assessed for specific impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

No impairment issues have arisen from the COVID 19 pandemic consequences and climate change is not expected to give rise to impairment concerns with infrastructure assets, intangibles or other assets.

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Financial Risk Management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Note 1 continued overleaf

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from the Company's receivables from customers.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. All customers are shareholders who have a direct interest in the Company. The Company's customer base is located in the prime sector of the Barossa Valley which is expected to be less impacted by any problems for the wine industry as a result of the COVID 19 pandemic and from climate change. The Company does not have a significant exposure to any one customer as no single customer is in excess of approximately 8 percent (2021: 8%) of the Company's revenue. Chinese tariffs on Australian wine has not had nor is expected to have a significant impact on the Company and its customers.

The majority of the Company's customers have been transacting with the Company for over ten years, and no losses have occurred.

The Company has not established an allowance for impairment due to the historical success in controlling receivables. The credit policy of the Company requires that all overdue receivables are actively followed up. Receivables are reviewed bi-annually to assess whether any indications of impairment are evident.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

The Company prepares long-term cash flow models to project the liquidity needs of future years.

Market Risk

Market risk is the risk that changes in market prices, namely interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company is carrying debt at variable rates due to favourable market rates, but continues to monitor developments in the market that would influence a change from the current position.

Capital Management

The Board's policy is to maintain a strong capital base and a balance between borrowings and share capital. The policy is not to maximise dividend returns to shareholders but to deliver water at the lowest price that is sustainable in the long term.

(m) Employee Benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(iii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

(n) 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 a finance cost.

(o) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Note 1 continued overleaf

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has not elected to separate non-lease components and account for the lease and non-components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate from its external financing source.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company's assessment of whether it will exercise a purchase, extension or termination option or if there is a revised substantial fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(p) Changes in significant accounting policies

Water Infrastructure

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact water infrastructure arrangements by analogy:
- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019).
- Configuration or customisation costs in a cloud computing arrangement (April 2021).

The Company entered into an agreement with SA Water which enables both parties to share the cost of expanding the water infrastructure capacity from 8GL to 11GL. In exchange for the right to access and use the water infrastructure facility. The Company paid SA Water an agreed amount of infrastructure expansion costs. The Company's accounting policy has historically been to capitalise these water infrastructure costs as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions by analogy has resulted in a reclassification of these intangible assets to other assets (prepayment) in the Statement of the Financial Position, to be amortised systematically over the remaining useful lives of the water infrastructure agreement.

The new accounting policy is presented in Note 7.

Comparative financial information has been restated to account for the impact of the change in accounting policy in relation to the above service arrangement. The impact of the change on the prior year financial statement of the Company is as follows:

Statement of Financial Position at 30 June 2021

	As previously reported	Adjustment	As restated
	$	$	$
Assets			
Current Assets			
Other Assets	1,569,866	401,631	1,971,497
Total Current Assets	**12,336,562**	**401,631**	**12,738,193**
Non-current Assets			
Other Assets	3,328,549	7,564,600	10,893,149
Intangible Assets	15,167,753	(7,966,231)	7,201,522
Total Non-current Assets	**37,828,461**	**(401,631)**	**37,426,830**
Total Assets	**50,165,023**	**-**	**50,165,023**

	2022 $	2021 $
Note 2: PERSONNEL EXPENSES		
Wages, salaries and directors fees	518,436	490,117
Other associated personnel expenses	373	4,234
Contributions to defined contribution superannuation funds	71,058	61,376
Decrease in liability for annual leave	(1,184)	(702)
Increase in liability for long service leave	7,443	9,749
	596,126	564,774

Note 3: AUDITOR'S REMUNERATION

Auditors of the Company: KPMG Australia		
Audit of the financial statements	37,260	37,260
	37,260	37,260

Note 4: INCOME TAX EXPENSE

(a) Recognised in the statement of comprehensive income

Current period	-	-
Deferred tax expense		
(Reversal)/Origination of temporary differences	(437,602)	469,429
Recognition of previously unrecognised deferred tax assets	-	441,380
Total income tax (expense)/benefit	**(437,602)**	910,809

(b) Numerical reconciliation between tax expense and pre-tax accounting profit

Profit before tax	1,584,652	1,797,120
Income tax using company tax rate of 25% (2021 : 26%)	396,163	467,251
Decrease in income tax expense due to:		
Change in tax rate	35,030	(15,152)
Non-deductible expenses	1,609	963
Non-deductible depreciation	4,800	5,282
Utilisation of prior year losses not previously recognised	-	(927,773)
Deferred tax asset for c/fwd tax losses not previously recognised	-	(441,380)
Income tax expense/(benefit) on pre-tax net profit	**437,602**	(910,809)

	2022	2021*
	$	$
(c) Deferred Tax Assets and Liabilities		
Deferred tax liability is attributable to :		
Property plant and equipment	1,756,138	2,000,812
Accrued interest income	228	992
Leasing Expense	438	-
Prepaid Expenses – SA Water Transport (Note 7b)	475,057	425,961
Prepaid Expenses – SA Water Infrastructure (Note 7a)	1,546,850	1,355,076
Accrued water sales - unused	144,880	44,730
	3,923,591	3,827,571
Deferred tax asset is attributable to:		
Employee benefits	14,321	13,169
Borrowing Costs	784	2,157
Contract liabilities	4,103,422	3,975,062
Legal Fees	-	726
Tax Losses	278,271	747,266
	4,396,798	4,738,380
Net Deferred Tax Assets	**473,207**	910,809

Deferred tax assets are recognised in respect of carried forward tax losses of $1,113,084 because it is considered probable that future taxable profits will be available against which the Company can use the benefit.

(d) Movement in temporary differences during the year all recognised in income

Contract liability	128,360	369,951
Property, plant and equipment	244,674	322,936
Interest income	764	(992)
Prepaid Expenses – SA Water Transport (Note 7b)	(49,096)	(47,449)
Prepaid Expenses – SA Water Infrastructure (Note 7a)	(191,774)	(190,104)
Accrued water sales	(100,150)	20,328
Employee benefits	1,152	1,749
Borrowing Costs	(1,373)	(1,545)
Cost of Equity	-	(4,636)
Legal Fees	(726)	(809)
Lease costs	(438)	-
Tax Losses	(468,995)	441,380
Net movement	**(437,602)**	910,809

** Comparative Information has been restated to reflect the change in accounting policy and the prior period restatements detailed in Note 1(p).*

(e) Dividend Franking Account

The amount of franking credits available to shareholders of Barossa Infrastructure Ltd for subsequent financial years is $3,909,472 (2021 : $3,909,472). The ability to utilise the franking credits is dependent upon the capacity to declare dividends.

	2022	2021*
	$	$

Note 5: CASH AND CASH EQUIVALENTS

	2022 $	2021* $
Cash and cash equivalents	**5,539,442**	9,356,046

Cash and cash equivalents comprise of cash at bank.

Note 6: TRADE AND OTHER RECEIVABLES

	2022 $	2021* $
Trade Debtors	1,250,192	1,312,798
Net GST Receivable	110,480	97,852
	1,360,672	1,410,650

Note 7: OTHER ASSETS

	2022 $	2021* $
Current		
Prepayments – SAWater Infrastructure (Note 7a)	401,631	401,631
Prepayments – SA Water Transport (Note 7b)	169,258	169,258
Prepayments - Other	459,526	233,481
Accrued Income – Water Sales	1,867,482	1,163,310
Accrued Income – Interest	911	3,817
Total Current Other Assets	**2,898,808**	1,971,497
Non-Current		
Prepayments – SA Water Infrastructure (Note 7a)	7,162,969	7,564,600
Prepayments – SA Water Transport (Note 7b)	2,921,077	3,090,336
Prepayments – Other	304,816	238,213
Total Non-Current Other Assets	**10,388,862**	10,893,149

(Note 7a)
Prepayments – SA Water Infrastructure

	2022 $	2021* $
Carrying Amount at Beginning of Year	7,966,231	8,367,862
Less: Amortisation	(401,631)	(401,631)
Carrying Amount at End of Year	**7,564,600**	7,966,231

This is the portion of the increased capacity fee paid to SA Water to specifically build infrastructure to enable the project to move from 8GL to 11GL. The fee is amortised over the period of the contract with SA Water to 2040.

(Note 7b)
Prepayments – SA Water Transport

	2022 $	2021* $
Carrying Amount at Beginning of Year	3,259,593	3,428,851
Less: Amortisation	(169,258)	(169,258)
Carrying Amount at End of Year	**3,090,335**	3,259,593

** Comparative Information has been restated to reflect the change in accounting policy and the prior period restatements detailed in Note 1(p).*

Note 8: PROPERTY, PLANT & EQUIPMENT

	2022 $	2021 $
Pipeline and Installation		
At cost	29,342,825	29,336,349
Less: Accumulated Depreciation	(18,689,440)	(18,108,734)
Total Pipeline and Installation	10,653,385	11,227,615
Water Storage		
At cost	4,428,473	4,424,923
Less: Accumulated Depreciation	(1,363,465)	(1,058,683)
Total Water Storage	3,065,008	3,366,240
Pumps and Installation		
At cost	5,397,689	5,369,519
Less: Accumulated Depreciation	(2,344,340)	(2,046,433)
Total Pumps and Installation	3,053,349	3,323,086
Meters and Installation		
At cost	2,604,068	2,562,012
Less: Accumulated Depreciation	(2,262,120)	(2,178,559)
Total Meters and Installation	341,948	383,453
Capital Works in Progress		
At cost	-	20,342
Less: Accumulated Depreciation	-	-
Total Capital Works in Progress	-	20,342
Office Equipment		
At cost	69,158	68,410
Less: Accumulated Depreciation	(55,904)	(49,358)
Total Office Equipment	13,254	19,052
Motor Vehicles		
At cost	91,620	91,620
Less: Accumulated Depreciation	(58,388)	(49,341)
Total Motor Vehicles	33,232	42,279
Leasehold Improvements		
At cost	25,151	15,606
Less: Accumulated Depreciation	(13,402)	(3,377)
Total Leasehold Improvements	11,749	12,229
Total Property Plant & Equipment net book value	**17,171,925**	18,394,296

Note 8 continued overleaf

Note 8: PROPERTY, PLANT & EQUIPMENT *continued*

	2022 $	2021 $
Reconciliations		
Pipeline and Installation		
Carrying Amount at Beginning of Year	11,227,615	11,848,275
Acquisitions	6,476	-
Depreciation	(580,706)	(620,660)
Carrying Amount at End of Year	10,653,385	11,227,615
Water Storage		
Carrying Amount at Beginning of Year	3,366,240	3,700,736
Acquisitions	3,550	-
Depreciation	(304,782)	(334,496)
Carrying Amount at End of Year	3,065,008	3,366,240
Pumps and Installation		
Carrying Amount at Beginning of Year	3,323,086	3,643,949
Acquisitions	28,170	4,347
Disposals	-	-
Depreciation	(297,907)	(325,210)
Carrying Amount at End of Year	3,053,349	3,323,086
Meters and Installation		
Carrying Amount at Beginning of Year	383,453	414,370
Acquisitions	42,056	58,584
Depreciation	(83,561)	(89,501)
Carrying Amount at End of Year	341,948	383,453
Capital Works in Progress		
Carrying Amount at Beginning of Year	20,342	12,311
Acquisitions		8,031
Transfers to Assets and Expenses	(20,342)	-
Carrying Amount at End of Year	-	20,342
Office Equipment		
Carrying Amount at Beginning of Year	19,052	28,563
Acquisitions	5,375	-
Disposals	(200)	(1,399)
Depreciation	(10,973)	(8,112)
Carrying Amount at End of Year	13,254	19,052
Motor Vehicles		
Carrying Amount at Beginning of Year	42,279	53,936
Depreciation	(9,047)	(11,657)
Carrying Amount at End of Year	33,232	42,279

	2022	2021*
	$	$
Leasehold Improvements		
Carrying Amount at Beginning of Year	12,229	12,728
Acquisitions	9,545	-
Depreciation	(10,025)	(499)
Carrying Amount at End of Year	11,749	12,229
Total Depreciation Expense for Year	**1,297,001**	1,390,135

Note 9: INTANGIBLE ASSETS

River Murray Water Rights – at cost		
Carrying Amount at Beginning and End of Year	7,199,966	7,199,966

The Board has chosen to carry intangible assets at cost and has assessed the recoverable amount, which is in excess of the carrying amount, on the active market basis. The current market value of River Murray Water Rights is $22.2m, resulting in an unrealised gain of $15m.

In assessing the useful life of River Murray Water Rights consideration is given to the contractual right granted to each non-cancellable share of water access entitlement to the River Murray resources. In light of the water access entitlement rights being non-cancellable and the Company's intention to continue using such water access entitlement rights in its operations, no factor could be identified that would result in the water access entitlement rights having a finite useful life and accordingly are assessed as having an indefinite useful life.

Software – at cost		
Carrying Amount at Beginning of Year	1,556	8,185
Less: Amortisation	(1,556)	(6,629)
Carrying Amount at End of Year	-	1,556
Total Intangible Assets at net book value	**7,199,966**	7,201,522

Note 10: TRADE AND OTHER PAYABLES

Current		
Trade Creditors	139,928	31,609
Other Creditors and Accruals	409,725	385,471
	549,653	417,080

** Comparative Information has been restated to reflect the change in accounting policy and the prior period restatements detailed in Note 1(p).*

Note 11: INTEREST BEARING LOANS AND BORROWINGS

	2022 $	2021 $
Current		
Secured Loan – Bendigo Bank Ltd	-	1,858,000
Total Current Interest Bearing Loans and Borrowings	**-**	1,858,000
Non-Current		
Secured Loan – Bendigo Bank Ltd	1	5,426,050
Total Non-Current Interest Bearing Loans and Borrowings	**1**	5,426,050

Bank Loans

The loan is secured by a registered Deed of Charge over the assets of the Company and specific Registered Charges over customer contracts, water transport agreement and leases over water rights. The Company has seasonal overdraft facilities of $1.0 million which is secured by the same Deed of Charge.

The Company entered into a Construction Loan with a total facility of $13m. The Construction Loan reverted to a Principal and Interest loan facility and is repayable over 7 years. During the year loan repayments of $7,287,049 occurred, resulting in cash outflows from financing activities of $7,287,049. The interest rate on the current facility is carried at variable rates that amounted to 3.32% at 30 June 2022.

As at 30 June 2022 the Company has a redraw facility of $5,426,049 which enables funding of future expansion projects that may evolve.

The Company has met all covenants under the loan facility for the 2022 financial year.

Note 12: MOVEMENTS IN EQUITY

	2022 $	2021 $
Ordinary Shares		
Balance at the Beginning of the Year	15,395,637	15,395,637
Total Share Capital	**15,395,637**	15,395,637

No ordinary shares were issued during the year (2021 : Nil).

	2022 $	2021 $
Retained Earnings		
Retained earnings at beginning of year	6,163,709	3,455,780
Total recognised income and expense	1,147,050	2,707,929
Balance at end of year	**7,310,759**	6,163,709

	2022 $	2021 $

Note 13: LEASES

The Company leases office premises and storage facilities under non-cancellable leases. The right-of-use assets and related lease liabilities are as follows:

	2022 $	2021 $
Right of Use Assets		
Opening balance	27,054	35,898
Adjustment on original recognition	-	(553)
Depreciation for the year	(37,410)	(37,804)
Additions to right-of-use assets	137,860	29,513
Closing balance	**127,504**	27,054
Lease Liabilities		
Opening balance	27,144	36,854
Adjustment on original recognition	-	(553)
Repayments during the year	(35,737)	(38,670)
Additions to lease liabilities	137,860	29,513
Closing balance	**129,267**	27,144
Lease liabilities – current	36,718	9,637
Lease liabilities – non-current	92,549	17,507
Closing balance	**129,267**	27,144

The Company leases River Murray Water Rights. However, given the nature of these water entitlements (i.e. intangible assets) the Company has elected to not apply AASB 16 to these arrangements.

Note 14: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2022 $	2021 $
Profit after tax	1,147,050	2,707,929
Adjustments for:		
Depreciation and Amortisation	1,906,856	2,005,457
Loss on Sale of Non-Current Assets	12,510	1,399
Income Tax Expense/(Benefit)	437,602	(910,809)
Operating profit before changes in working capital	**3,504,018**	3,803,976

Note 14 continued overleaf

	2022 $	2021 $
Note 14: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES *continued*		
Changes in assets and liabilities (attributable to the operating activities of the Company):		
Decrease in Receivables	62,606	1,412,096
Increase in contract liabilities	891,407	768,845
Net GST (Paid)/Received	(12,633)	1,745
(Increase)/Decrease in Prepayments & Accrued Income	(993,909)	661,749
Increase/(Decrease) in Creditors	108,319	(481,678)
(Decrease) in Accruals	(11,482)	(787,740)
Increase in Provisions and Employee Benefits	6,259	9,047
Net Cash from Operating Activities	**3,554,585**	5,388,040

Note 15: EMPLOYEE BENEFITS

Aggregate Liability for Employee Entitlements

	2022 $	2021 $
Current		
- Liability for annual leave	13,546	14,730
- Liability for long service leave	38,087	35,661
	51,633	50,391
Non-Current		
- Liability for long service leave	5,016	-
	5,016	-
Number of Employees at Year End	4	4

Note 16: DEFERRED INCOME/CONTRACT LIABILITIES

	2022 $	2021 $
Current		
Contract Liabilities	3,480,734	3,477,872
Total Current Deferred Income/Contract Liabilities	**3,480,734**	3,477,872
Non-Current		
Contract Liabilities	18,237,686	17,349,140
Total Non-current Deferred Income/Contract Liabilities	**18,237,686**	17,349,140

Changes in the contract liabilities balance during the year is as follows:

Carrying amount at the beginning of year	17,349,140	16,584,463
Revenue recognised during the year	(3,360,388)	(3,348,939)
Revenue deferred to future years	4,248,934	4,113,616
Total Non-current Deferred Income/Contract Liabilities	**18,237,686**	17,349,140

Note 17: RELATED PARTY DISCLOSURES

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 2) are as follows:

Short-term employee and director benefits	377,332	370,009
Other long term benefits	5,016	-
Post employment benefits	28,208	26,191
	410,556	396,200

Apart from the details disclosed in this note, no key management personnel have entered into a material contract 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.

Note 17 continued overleaf

Note 17: RELATED PARTY DISCLOSURES *continued*

Directors' holdings of shares

The interests of Directors of the reporting entity and their Director related entities, in shares with the Company at year end are as follows:

	2022 Number Held	2021 Number Held
G W Burge	-	-
Burge Corp Pty Ltd	**563,500**	563,500
S P Dahlitz	-	-
Dahlitz Estate Pty Ltd	**19,250**	22,750
T J McCarthy	-	-
M McCarthy	**17,500**	17,500
Total Number of Shares in the Company held by Directors and their Director Related Entities:	**600,250**	603,750

Other Transactions with the Company

The Company Secretary, G M Davis and Director, J L Kerr, of Barossa Infrastructure Limited, hold positions in other entities that result in them having control or significant influence over these entities. G M Davis is a key management person who is the principal of the firm Geoff Davis & Associates, Chartered Accountants, resulting in him having significant influence over the financial and operating policies of that entity. Geoff Davis & Associates has provided secretarial, consulting and accounting services to the Company in the ordinary course of business for the year ended 30 June 2022. J L Kerr is a key management person and is the principal of the firm Capital Strategies Pty Ltd, Chartered Accountants, resulting in him having significant influence over the financial and operating policies of that entity. Capital Strategies Pty Ltd is engaged as Barossa Infrastructure Limited's corporate adviser and has provided services to the Company associated with this appointment. The terms and conditions of the transactions with G M Davis and J L Kerr and their related entities, were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related parties on an arm's length basis.

Details of amounts other than Directors' fees paid to the above mentioned Director Related Entities are as follows:

Director	Director Related Entity	2022 $	2021 $
G M Davis	Geoff Davis & Associates	134,110	125,880
J L Kerr	Capital Strategies Pty Ltd	59,243	49,892
Current Payable	Geoff Davis & Associates	13,029	20,460
	Capital Strategies Pty Ltd	7,150	4,059

Note 18: FINANCIAL INSTRUMENTS:

(i) 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	Carrying Amount 2022	2021
		$	$
Cash and cash equivalents	5	5,539,442	9,356,046
Trade and other receivables	6	1,360,672	1,410,650
		6,900,114	10,766,696

Impairment losses

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

	Gross 2022	Gross 2021
	$	$
Not past due	1,204,762	1,144,607
Past due 31-60 days	-	-
Past due 61-90 days	25,958	118,399
Past due 91days and >	19,472	49,792
	1,250,192	1,312,798

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.

(ii) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Non-derivative financial liabilities	Carrying	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	$	$	$	$	$	$	$
Overdraft facility	-	-	-	-	-	-	-
Bank Loan	1	(40,692)	(15,988)	(12,562)	(12,141)	(1)	
Trade and other payables	549,653	(549,653)	(549,653)	-	-	-	-
Lease liability	129,267	(135,998)	(19,884)	(19,884)	(37,204)	(59,026)	
	678,921	**(726,343)**	**(585,525)**	**(32,446)**	**(49,345)**	**(59,027)**	**-**

In addition, the Company maintains a $1 million overdraft facility to cover seasonal fluctuations of cash flow that is secured over the assets of the Company. Interest would be payable at the rate of 7.39%.

Note 18 continued overleaf

Note 18: FINANCIAL INSTRUMENTS *continued*

(iii) Interest Rate Risk

Profile

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

	Carrying Amount	
	2022	2021
	$	$
Fixed rate instruments		
Financial liabilities – Lease liabilities	**129,267**	27,144
Variable rate instruments		
Financial assets – Cash and cash equivalents	**5,539,442**	9,356,046
Financial liabilities – Loans and borrowings	**(1)**	(7,284,050)
	5,539,441	2,071,996

Fair value sensitivity analysis for fixed rate instruments

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

Note 19: COMMITMENTS

The Company has no capital commitments at 30 June 2022 (2021 : $Nil).

The Company entered into non-cancellable agreements to lease River Murray Water Rights for periods from 1 to 6 years. Payments under these arrangements are as follows:

Within one year	1,805,196	1,522,040
Later than one year	1,601,541	2,085,334
	3,406,737	3,607,374

Note 20: EVENTS SUBSEQUENT TO REPORTING DATE

As a result of the evolving nature of the COVID-19 pandemic and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Company is not in a position to reasonably estimate the financial effects of the COVID-19 pandemic on the future financial performance and financial position of the Company. To date the impact of the pandemic has been manageable and minimal.

Other than the matters discussed above, there has not 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 years.

Directors' Declaration

In the opinion of the Directors of the Company:

(a) the financial statements and notes that are set out on pages 15 to 42, are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the Directors draw attention to note 1 (a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

R I Chapman
Director

G M Davis
Director

Tanunda, S.A.
13 September 2022

KPMG

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

To the Directors of Barossa Infrastructure Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Barossa Infrastructure Limited for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

13 September 2022

Independent Auditor's Report

To the shareholders of Barossa Infrastructure Limited

Opinion

We have audited the ***Financial Report*** of Barossa Infrastructure Limited (the Company).

In our opinion, the accompanying Financial Report of 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 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2022;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of Barossa Infrastructure Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Other Information

Other Information is financial and non-financial information in Barossa Infrastructure Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

KPMG

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

14 September 2022

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