

Interim Financial Report
Barossa Infrastructure Limited
ABN 80 084 108 958
31 December 2023

Barossa Infrastructure Limited
Interim Financial Report
For the six months ended 31 December 2023

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Barossa Infrastructure Limited
Interim Financial Report
For the six months ended 31 December 2023

Directors' report

The directors of Barossa Infrastructure Limited (the "Company") present their report together with the financial statements for the six months ended 31 December 2023 and the review report thereon.

Directors

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

Non-executive	Period of directorship
Robert Ian Chapman	Since 4 June 2012
Grant Walker Burge	Since 14 September 1998
Samuel Paul Dahlitz	Since 29 April 2019
Geoffrey Maxwell Davis	Since 3 August 1999
Gayle Robin Grieger	Since 2 February 2004
John Leslie Kerr	Since 2 May 2017
Timothy James McCarthy	Since 28 February 2017
Victor John Patrick	Since 28 April 2008

Review of operations

The net profit for the half year ended 31 December 2023, after providing for income tax, is \$652,391 (2022 loss \$827,025).

Sales Revenue of \$5,084,491 for the 6 months is up \$3,265,447 on the same period last year due to below average rainfall and average temperatures and resulted in the highest September demand on record as customers applied water to increase soil moisture profiles. This is in direct contrast to the same period last year that received above average rainfall and resulted in the lowest November and second lowest October demand on record. Consequently, delivered volumes were up 202% in the current 6 months compared to the same period last year.

Although delivered volumes increased by 202% for the six month period, the cost of leasing River Murray Water Rights was down \$20,605 on the same period last year. This was due to higher cost long term leases expiring and new long term leases entered into at lower costs.

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Directors' report (continued).

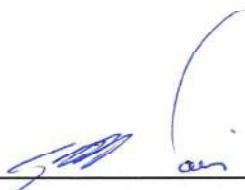
Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 13 and forms part of the directors' report for the six months ended 31 December 2023.

Signed in accordance with a resolution of the directors:



R I Chapman
Director



G M Davis
Director

Dated at Adelaide this 13th day of February 2024

Barossa Infrastructure Limited
Interim Financial Report

Condensed statement of financial position

As at 31 December 2023

	Note	31 Dec 2023 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,860,156	2,776,595
Trade and other receivables		1,089,153	1,445,110
Investments	8	8,500,000	6,000,000
Other assets		2,685,872	4,227,588
Total current assets		15,135,181	14,449,293
Non-current assets			
Other assets		9,360,638	9,652,684
Property, plant and equipment	9	15,488,220	16,061,098
Intangible assets	10	7,199,967	7,199,967
Right of use assets		77,122	93,988
Deferred tax asset		447,137	-
Total non-current assets		32,573,084	33,007,737
TOTAL ASSETS		47,708,265	47,457,030
LIABILITIES			
Current liabilities			
Trade and other payables		2,158,279	1,479,866
Employee benefits		15,582	41,990
Lease liabilities		33,961	36,837
Contract liabilities		3,496,171	3,494,633
Current tax liability		615,434	-
Total current liabilities		6,319,427	5,053,326
Non-current liabilities			
Employee benefits		15,046	8,767
Lease liabilities		48,736	60,893
Contract liabilities		16,381,941	17,979,980
Deferred tax liability		-	63,340
Total non-current liabilities		16,445,723	18,112,980
TOTAL LIABILITIES		22,765,150	23,166,306
NET ASSETS		24,943,115	24,290,724
Equity			
Share capital		15,395,637	15,395,637
Retained earnings		9,547,478	8,895,087
TOTAL EQUITY		24,943,115	24,290,724

The condensed notes on pages 9 to 11 are an integral part of these condensed interim financial statements.

Barossa Infrastructure Limited
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Condensed statement of profit and loss and other comprehensive income

For the six months ended 31 December 2023

	<i>Note</i>	31 Dec 2023 \$	31 Dec 2022 \$
Sale of water		5,084,491	1,819,044
Cost of sales		(5,555,801)	(4,094,906)
Gross Loss		(471,310)	(2,275,862)
Infrastructure levies revenue		1,614,212	1,740,367
Other Income		140,206	1,000
Administrative expenses		(588,436)	(610,742)
Profit/(Loss) from operating activities		694,672	(1,145,237)
Finance income		182,067	62,378
Finance costs		(1,559)	(14,438)
Net finance income		180,508	47,940
Profit/(Loss) before income tax		875,180	(1,097,297)
Income tax (expense)/benefit	7	(222,789)	270,272
Profit/(Loss) after tax		652,391	(827,025)
Total comprehensive Profit/(Loss) for the period		652,391	(827,025)

The condensed notes on pages 9 to 11 are an integral part of these condensed interim financial statements.

Barossa Infrastructure Limited
Interim Financial Report

Condensed statement of changes in equity

For the six months ended 31 December 2023

	Attributable to owners of the Company		
	Share Capital	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2022	15,395,637	7,310,759	22,706,396
Total comprehensive income for the period			
Loss for the period		(827,025)	(827,025)
Transactions with owners of the Company, recognised directly in equity		-	-
Balance at 31 December 2022	15,395,637	6,483,734	21,879,371
For the six months ended 31 December 2023			
Balance at 1 July 2023	15,395,637	8,895,087	24,290,724
Total comprehensive income for the period			
Profit for the period		652,391	652,391
Transactions with owners of the Company, recognised directly in equity		-	-
Balance at 31 December 2023	15,395,637	9,547,478	24,943,115

The condensed notes on pages 9 to 11 are an integral part of these condensed interim financial statements.

Barossa Infrastructure Limited
Interim Financial Report

Condensed statement of cash flows

For the six months ended 31 December 2023

	<i>Note</i>	31 Dec 2023	31 Dec 2022
		\$	\$
Cash flows from operating activities			
Cash receipts from customers		7,334,218	4,692,646
Cash paid to suppliers and employees		(4,849,663)	(4,479,749)
Cash generated from operations		2,484,555	212,897
Interest received		27,503	23,901
Interest paid		-	(29,571)
Income Taxes paid		(15,825)	(13,051)
Net cash generated from operating activities		2,496,233	194,176
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(9,163)	(39,053)
Proceeds from disposal of plant and equipment	9	11,818	-
Funds Invested	8	(2,500,000)	(3,000,000)
Interest received on investments		84,673	6,402
Net cash used in investing activities		(2,412,672)	(3,032,651)
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash used for financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		83,561	(2,838,475)
Cash and cash equivalents at 1 July		2,776,595	5,539,442
Cash and cash equivalents at 31 December		2,860,156	2,700,967

The condensed notes on pages 9 to 11 are an integral part of these condensed interim financial statements.

Notes to the condensed interim financial statements

1. Reporting entity

Barossa Infrastructure Limited (the "Company") is a company domiciled in Australia. The annual financial report of the Company as at and for the year ended 30 June 2023 is available upon request from the Company's registered office at C/- Level 3,149 Flinders Street Adelaide SA 5000 or at <http://barossainfrastructure.com.au>.

2. Basis of preparation

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

They do not include all the information required for a complete set of AASB financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 30 June 2023.

These interim financial statements were approved by the Board of Directors on the 13th February 2024.

Going concern basis of preparation

The Interim Financial Report has been prepared on the going concern basis which contemplates that the Company will continue to realise its assets and extinguish its liabilities in the ordinary course of business.

The Company has net assets of \$24,943,115 as at 31 December 2023, with current assets exceeding current liabilities by \$8,815,754 at the interim period. Included in current liabilities is \$3,496,171 of contract liabilities relating to revenue deferred in accordance with AASB 15 which will be recognised over the next 12 months and does not require repayment.

3. Use of judgements and estimates

In preparing these interim financial statements, Management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2023.

4. Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 30 June 2023 (the policy for recognising and measuring income taxes in the interim period is described in Note 7).

5. Financial risk management

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

6. Seasonality of operations

In a normal irrigation season the majority of water taken by customers occurs in the second half of the financial year. Sales for the first 6 months were \$5,084,491, up 180% on the same period last year. This followed a decrease of 36% in 2022 and a decrease of 37% in 2021. The increase in the current period is due to below average rainfall for the period, which resulted in the highest September flow on record as customers applied water to boost soil moisture profiles. This contrasts with demand for water in the same period last year that received above average rainfall in the 95th percentile, above average rainfall in each month from August to November, October rainfall 2.8 times the monthly average and November rainfall the highest on record at 3.5 times the monthly average.

Notes to the condensed interim financial statements (continued)

7. Income tax expense

The Company recognised an income tax expense of \$222,789 for the period ended 31 December 2023 (six months ended 31 December 2022: income tax benefit \$270,272). The Company expects to pay tax for the year ended 30 June 2024 due to carried forward tax losses from prior years, associated with the write off of expenditure from the scheme expansion, being fully utilised.

8. Investments

Funds to the amount of \$2,500,000 were placed on term deposit with Bendigo Bank and Bank SA during the period, with expiry dates not exceeding 12 months.

9. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2023, the Company acquired assets with a cost of \$9,163 (six months ended 31 December 2022: \$39,053). Proceeds from assets sold during the six months ended 31 December 2023 was \$11,818, (six months ended 31 December 2022: \$0) and resulted in a loss of \$766 (six months ended 31 December 2022: \$0).

10. Intangible assets

During the six months ended 31 December 2023, the Company did not acquire any intangible assets (six months ended 31 December 2022: \$0). No intangible assets were scrapped during the six months ended 31 December 2023, (six months ended 31 December 2022: \$0). The Company elects to carry River Murray Water Rights at cost.

The Company performed impairment testing of intangibles during the six months ended 31 December 2023. As a result of this testing, the carrying amount of intangible assets was determined to be lower than its recoverable amount and therefore no impairment loss was recognised.

11. Financial instruments

The fair value of all financial assets and liabilities approximates their carrying amount.

Notes to the condensed interim financial statements (continued)

12. Related parties

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and termination benefits. Key management personnel received total compensation of \$240,907, for the six months ended 31 December 2023 (six months ended 31 December 2022, \$218,248).

Other related party transactions

	Transaction value for the six months ended		Balance outstanding	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	30 June 2023
	\$	\$	\$	\$
Revenue – Water Sales				
Grant Burge - Burge Corporation Pty Ltd	168,703	36,302	-	60,000
Samuel P Dahlitz – Dahlitz Estate Pty Ltd	8,676	2,108	-	-
Timothy J McCarthy – Michael McCarthy	5,251	1,870	-	-
	182,630	40,280	-	60,000
Expenses				
Grant Burge – Burge Corporation Pty Ltd – water lease	98,656	96,250	-	-
Geoff Davis - Geoff Davis & Associates – administrative services	27,210	67,654	4,895	5,619
John Kerr - Capital Strategies Pty Ltd – corporate advisory services	19,889	26,518	1,300	3,100
	145,755	190,422	6,195	8,719

All outstanding balances with these related parties are to be received or settled in cash within one month of the end of the reporting period. None of the balances are secured.

13. Commitments

The Company has no capital commitments at 31 December 2023 (2022 : \$0).

The Company entered into non-cancellable agreements to lease River Murray Water Rights, office premises and a storage facility for periods 1 to 5 years. Payments under these arrangements are as follows:

Within one year	\$1,397,374
Later than one year	\$4,635,254
	<u>\$6,032,628</u>

14. Subsequent events

There were no subsequent events to report.

Barossa Infrastructure Limited
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Directors' declaration

In the opinion of the directors of Barossa Infrastructure Limited ('the Company'):

1. the condensed financial statements and notes set out on pages 9 to 11, are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



R I Chapman
Director



G M Davis
Director

Dated at Adelaide this 13th day of February 2024

**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, during the half-year ended 31 December 2023 there have been:

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

William Buck

William Buck (SA)
ABN 38 280 203 274

M. D. King

M. D. King
Partner

Dated at Adelaide this 13th day of February, 2024.

Barossa Infrastructure Limited

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Barossa Infrastructure Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Barossa Infrastructure Limited is not in accordance with the *Corporations Act 2001* including:

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

Basis for Conclusion

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

Responsibility of Management for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

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

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

William Buck

William Buck (SA)
ABN: 38 280 203 274

Matt King

M.D. King
Partner

Dated this 13th day of February, 2023 in Adelaide, South Australia.