

Interim Financial Report  
Barossa Infrastructure Limited  
ABN 80 084 108 958  
31 December 2021

Barossa Infrastructure Limited  
Interim Financial Report  
For the six months ended 31 December 2021

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Barossa Infrastructure Limited  
Interim Financial Report  
For the six months ended 31 December 2021

## 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 2021 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 loss for the half year ended 31 December 2021 after providing for income tax is \$309,837 (2020 profit \$144,143).

Sales Revenue of \$2,844,571 for the 6 months is down by \$1,643,514 on the same period last year as a result of temperatures close to average or slightly below average with average rainfall and has resulted in a higher soil moisture profile for growers when contrasted with the dry conditions in prior years. Consequently, lower volumes were delivered in the current 6 months compared to the same period last year.

The milder weather conditions have resulted in a significant drop in the cost of leasing River Murray Water Rights. The expense for the 6 months was \$981,425, down \$325,069 on the prior year and has reduced the loss for the 6 month period associated with lower sales volumes.

Loan repayments of \$7,284,049 were made during the six month period, effectively paying down the balance of the loan. This balance was scheduled to be amortised over the next three years. Re-draw facilities have been negotiated providing the company with financing flexibility should the need arise in the future for expansion or the purchase of River Murray Water Entitlements.

The Company has not experienced any significant impact from COVID-19. When mandated by Government, our IT systems have allowed staff to work from home and our operations and maintenance contractors' work in separate teams to mitigate the risk of any potential cross infection that would disrupt services. Stock held as spares is continually monitored to decrease the risk of disruption to supply, especially from sources that are experiencing delays in the supply chain. The stock of spares has been increased significantly over the past 12 months.

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Directors' report (continued)

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the six months ended 31 December 2021.

Signed in accordance with a resolution of the directors:



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R I Chapman  
*Director*



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G M Davis  
*Director*

Dated at Adelaide this 15th day of February 2022

## Condensed statement of financial position

As at 31 December 2021

	<i>Note</i>	<b>31 Dec 2021</b>	<b>30 June 2021</b>
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,673,048	9,356,046
Trade and other receivables		428,856	1,410,650
Other assets		2,110,915	1,569,866
Current tax assets		48,559	-
<b>Total current assets</b>		<b>4,261,378</b>	<b>12,336,562</b>
<b>Non-current assets</b>			
Other assets		3,284,059	3,328,549
Property, plant and equipment	8	17,805,952	18,394,296
Intangible assets	9	14,963,731	15,167,753
Right of use assets		146,209	27,054
Deferred tax asset		963,308	910,809
<b>Total non-current assets</b>		<b>37,163,259</b>	<b>37,828,461</b>
<b>TOTAL ASSETS</b>		<b>41,424,637</b>	<b>50,165,023</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		748,291	417,080
Employee benefits		51,892	50,391
Lease liabilities		41,352	9,637
Loans & borrowings		-	1,858,000
Contract liabilities		3,478,133	3,477,872
<b>Total current liabilities</b>		<b>4,319,668</b>	<b>5,812,980</b>
<b>Non-current liabilities</b>			
Lease liabilities		105,905	17,507
Loans & borrowings		1	5,426,050
Contract liabilities		15,749,554	17,349,140
<b>Total non-current liabilities</b>		<b>15,855,460</b>	<b>22,792,697</b>
<b>TOTAL LIABILITIES</b>		<b>20,175,128</b>	<b>28,605,677</b>
<b>NET ASSETS</b>		<b>21,249,509</b>	<b>21,559,346</b>
<b>Equity</b>			
Share capital		15,395,637	15,395,637
Retained earnings		5,853,872	6,163,709
<b>TOTAL EQUITY</b>		<b>21,249,509</b>	<b>21,559,346</b>

The condensed notes on pages 9 to 12 are an integral part of these condensed interim financial statements.

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Condensed statement of profit and loss and other comprehensive income

For the six months ended 31 December 2021

	<i>Note</i>	<b>31 Dec 2021</b> \$	<b>31 Dec 2020</b> \$
Sale of water		2,844,571	4,488,085
Cost of sales		(4,457,709)	(5,410,672)
<b>Gross loss</b>		<b>(1,613,138)</b>	<b>(922,587)</b>
Infrastructure levies revenue		1,877,122	1,736,852
Administrative expenses		(577,429)	(564,021)
<b>Results from operating activities</b>		<b>(313,445)</b>	<b>250,244</b>
Finance income		4,660	1,316
Finance costs		(53,553)	(107,417)
<b>Net finance costs</b>		<b>(48,893)</b>	<b>(106,101)</b>
<b>Profit/(loss) before income tax</b>		<b>(362,338)</b>	<b>144,143</b>
Income tax benefit	7	52,501	-
<b>Profit/(loss) after tax</b>		<b>(309,837)</b>	<b>144,143</b>
<b>Total comprehensive profit/(loss) for the period</b>		<b>(309,837)</b>	<b>144,143</b>

The condensed notes on pages 9 to 12 are an integral part of these condensed interim financial statements.

## Condensed statement of changes in equity

For the six months ended 31 December 2021

	Attributable to owners of the Company		
	Share Capital	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 July 2020	15,395,637	3,455,780	18,851,417
<b>Total comprehensive income for the period</b>			
Profit for the period		144,143	144,143
<b>Transactions with owners of the Company, recognised directly in equity</b>	-	-	-
<b>Balance at 31 December 2020</b>	<b>15,395,637</b>	<b>3,599,923</b>	<b>18,995,560</b>
<b>For the six months ended 31 December 2021</b>			
Balance at 1 July 2021	15,395,637	6,163,709	21,559,346
<b>Total comprehensive income for the period</b>			
Loss for the period		(309,837)	(309,837)
<b>Transactions with owners of the Company, recognised directly in equity</b>	-	-	-
<b>Balance at 31 December 2021</b>	<b>15,395,637</b>	<b>5,853,872</b>	<b>21,249,509</b>

The condensed notes on pages 9 to 12 are an integral part of these condensed interim financial statements.

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## Condensed statement of cash flows

For the six months ended 31 December 2021

	<i>Note</i>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		\$	\$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		4,177,487	5,585,538
Cash paid to suppliers and employees		(4,438,901)	(5,523,057)
Cash (used)/generated in operations		(261,414)	62,481
Interest received		8,477	1,153
Interest paid		(64,503)	(108,552)
<b>Net cash used in operating activities</b>		<b>(317,440)</b>	<b>(44,918)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	8	(81,509)	(5,900)
<b>Net cash used in investing activities</b>		<b>(81,509)</b>	<b>(5,900)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(7,284,049)	(1,858,000)
Proceeds from Government Grants		-	65,592
<b>Net cash used for financing activities</b>		<b>(7,284,049)</b>	<b>(1,792,408)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,682,998)</b>	<b>(1,843,226)</b>
Cash and cash equivalents at 1 July		9,356,046	5,827,702
<b>Cash and cash equivalents at 31 December</b>		<b>1,673,048</b>	<b>3,984,476</b>

The condensed notes on pages 9 to 12 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 2021 is available upon request from the Company's registered office at C/- Level 6, 81 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 of 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 2021.

These interim financial statements were approved by the Board of Directors on the 15<sup>th</sup> February 2022.

#### *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 \$21,249,509 as at 31 December 2021 and its current liabilities exceed its current assets by \$58,290 as at half year end. Included in current liabilities is \$3,478,133 of contract liabilities relating to revenue deferred in accordance with AASB 15 which will be recognised over the next 12 months and which 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 2021.

## Notes to the condensed interim financial statements (continued)

### 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 2021 (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 2021.

### 6. Seasonality of operations

In a normal irrigation season the majority of the water taken by customers occurs in the second half of the financial year. Sales for the first 6 months was \$2,844,571, down 37% on the same period last year. This followed a decrease of 16% in 2020 and an increase of 7% in 2019. The decrease in the current period is explained by milder temperatures, consistent rainfall and a major storm event in October that resulted in hail and heavy rain in the Barossa Valley.

### 7. Income tax expense

The Company recognised an income tax benefit of \$52,501 for the period ended 31 December 2021 (six months ended 31 December 2020: income tax expense/benefit \$0). The Company does not expect to pay tax for the year ended 30 June 2022 due to carried forward tax losses from prior years associated with the write off of expenditure from the scheme expansion.

### 8. Property, plant and equipment

#### *Acquisitions and disposals*

During the six months ended 31 December 2021, the Company acquired assets with a cost of \$81,509 (six months ended 31 December 2020: \$0). No assets were sold or scrapped during the six months ended 31 December 2021, (six months ended 31 December 2020: \$0) and resulted in a loss of \$0 (six months ended 31 December 2020: \$0).

## Notes to the condensed interim financial statements (continued)

### 9. Intangible assets

During the six months ended 31 December 2021, the Company did not acquire any intangible assets (six months ended 31 December 2020: \$0). No intangible assets were scrapped during the six months ended 31 December 2021, (six months ended 31 December 2020: \$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 2021. 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.

### 10. Loans and borrowing

The following loans and borrowings (non-current and current) were repaid during the six months ended 31 December 2021:

	Currency	Interest rate nominal	Face value \$	Carrying amount \$	Year of maturity
Balance at 1 July 2021				7,284,050	
<b>Loan Repayment</b>	AUD	2.72%	(7,284,049)	<u>(7,284,049)</u>	
Balance at 31 December 2021				<u>1</u>	2027

### 11. Financial instruments

#### Carrying amount versus fair values

The fair value of all financial assets and liabilities approximate 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 \$202,770, for the six months ended 31 December 2021 (six months ended 31 December 2020 \$198,100).

#### Other related party transactions

	Transaction value for the six months ended		Balance outstanding	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	30 June 2021
	\$	\$	\$	\$
<b>Expenses</b>				
Geoff Davis & Associates – administrative services	71,405	65,915	10,708	20,460
Capital Strategies Pty Ltd – corporate advisory services	30,735	12,953	3,382	4,059
	102,140	78,868	14,090	24,519

All outstanding balances with these related parties are to be 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 2021 (2020 : \$0).

The Company entered into non-cancellable agreements to lease River Murray Water Rights for periods 1 to 7 years. Payments under these arrangement are as follows:

Within one year	\$1,909,536
Later than one year	\$1,269,078

### 14. Subsequent events

There were no subsequent events to report.

## 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 12, 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 2021 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:



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R I Chapman  
Director



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G M Davis  
Director

Dated at Adelaide this 15<sup>th</sup> day of February 2022



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

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To the Directors of Barossa Infrastructure Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Barossa Infrastructure Limited for the half-year ended 31 December 2021 there have been:

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



A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko  
Partner

Adelaide

15 February 2022



# Independent Auditor's Review Report

To the shareholders of Barossa Infrastructure Limited

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of Barossa Infrastructure Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Barossa Infrastructure Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the Half-year period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed statement of financial position as at 31 December 2021;
- Condensed statement of profit or loss and other comprehensive income, Condensed statement of changes in equity and Condensed statement of cash flows for the Half-year ended on that date;
- Notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Interim Period** is the 6 months ended on 31 December 2021.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- such internal control as the Directors determine is necessary to enable the preparation of the Interim 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 Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Period Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period 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.

KPMG  
KPMG

Paul Cenko  
Partner

Adelaide

15 February 2022