

Interim Financial Report
Barossa Infrastructure Limited
ABN 80 084 108 958
31 December 2024

Barossa Infrastructure Limited
Interim Financial Report
For the six months ended 31 December 2024

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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 2024 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 Resigned 10 September 2024
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 2024, after providing for income tax, is \$2,164,474 (2023 : \$652,391).

Sales Revenue of \$7,740,792 for the 6 months is up \$2,656,301 on the same period last year due to below average rainfall and above average temperatures and resulted in the highest August, October and November demand on record as customers applied water to increase soil moisture profiles.

Delivered volumes increased by 2.3GL (51%) for the six month period compared to the same period last year, with the cost of leasing River Murray Water Rights up \$222,243 on the same period last year. This was due to lower cost long term leases expiring and new long term leases entered into at higher costs.

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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 2024.

Signed in accordance with a resolution of the directors:



J L Kerr
Director



G M Davis
Director

Dated at Adelaide this 11th day of February 2025

Barossa Infrastructure Limited
Interim Financial Report

Condensed statement of financial position

As at 31 December 2024

	<i>Note</i>	31 Dec 2024	30 June 2024
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,911,879	2,120,596
Trade and other receivables		970,543	1,085,708
Investments	8	11,500,000	9,500,000
Other assets		4,201,832	5,198,090
Total current assets		18,584,254	17,904,394
Non-current assets			
Other assets		8,833,175	9,073,133
Property, plant and equipment	9	14,589,404	15,013,884
Intangible assets	10	7,313,397	7,313,397
Right of use assets		69,561	89,203
Deferred tax asset		168,282	-
Total non-current assets		30,973,819	31,489,617
TOTAL ASSETS		49,558,073	49,394,011
LIABILITIES			
Current liabilities			
Trade and other payables		1,443,741	2,574,813
Employee benefits		11,775	16,223
Lease liabilities		44,073	42,152
Contract liabilities		3,487,910	3,495,260
Current tax liability		1,336,790	138,498
Total current liabilities		6,324,289	6,266,946
Non-current liabilities			
Employee benefits		27,104	20,266
Lease liabilities		31,075	52,048
Contract liabilities		15,246,451	16,985,681
Deferred tax liability		-	304,390
Total non-current liabilities		15,304,630	17,362,385
TOTAL LIABILITIES		21,628,919	23,629,331
NET ASSETS		27,929,154	25,764,680
Equity			
Share capital		15,395,637	15,395,637
Retained earnings		12,533,517	10,369,043
TOTAL EQUITY		27,929,154	25,764,680

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 2024

	<i>Note</i>	31 Dec 2024 \$	31 Dec 2023 \$
Sale of water		7,740,792	5,084,491
Cost of sales		(6,355,268)	(5,555,801)
Gross Profit/(Loss)		1,385,524	(471,310)
Infrastructure levies revenue		1,739,230	1,614,212
Other Income		33,229	140,206
Administrative expenses		(582,371)	(588,436)
Profit from operating activities		2,575,612	694,672
Finance income		316,170	182,067
Finance costs		(1,687)	(1,559)
Net finance income		314,483	180,508
Profit before income tax		2,890,095	875,180
Income tax expense	7	(725,621)	(222,789)
Profit after tax		2,164,474	652,391
Total comprehensive Profit for the period		2,164,474	652,391

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 changes in equity

For the six months ended 31 December 2024

	Attributable to owners of the Company		
	Share Capital	Retained earnings	Total equity
	\$	\$	\$
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	<u>15,395,637</u>	<u>9,547,478</u>	<u>24,943,115</u>
For the six months ended 31 December 2024			
Balance at 1 July 2024	15,395,637	10,369,043	25,764,680
Total comprehensive income for the period			
Profit for the period		2,164,474	2,164,474
Transactions with owners of the Company, recognised directly in equity	-	-	-
Balance at 31 December 2024	<u>15,395,637</u>	<u>12,533,517</u>	<u>27,929,154</u>

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 2024

	<i>Note</i>	31 Dec 2024 \$	31 Dec 2023 \$
Cash flows from operating activities			
Cash receipts from customers		5,410,167	7,334,218
Cash paid to suppliers and employees		(3,915,702)	(4,849,663)
Cash generated from operations		1,494,465	2,484,555
Interest received		70,084	27,503
Income Taxes paid		-	(15,825)
Net cash generated from operating activities		1,564,549	2,496,233
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(79,715)	(9,163)
Proceeds from disposal of plant and equipment	9	-	11,818
Funds invested	8	(2,000,000)	(2,500,000)
Interest received on investments		306,449	84,673
Net cash used in investing activities		(1,773,266)	(2,412,672)
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash used for financing activities		-	-
Net (decrease)/ increase in cash and cash equivalents		(208,717)	83,561
Cash and cash equivalents at 1 July		2,120,596	2,776,595
Cash and cash equivalents at 31 December		1,911,879	2,860,156

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 2024 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 2024.

These interim financial statements were approved by the Board of Directors on the 11th February 2025.

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 \$27,929,154 as at 31 December 2024, with current assets exceeding current liabilities by \$12,259,965 at the interim period. Included in current liabilities is \$3,478,460 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 2024.

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 2024 (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 2024.

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. However, very dry conditions experienced since February 2024, coupled with above average temperatures from July to December 2024, has resulted in increased customer demand in the first half of the financial year exceeding expectations. Sales for the first 6 months were \$7,740,792, up 52% on the same period last year. The increase in the current period is a direct result of below average rainfall for the period, which resulted in the highest August, October and November flows on record as customers applied water to boost soil moisture profiles. While the demand for water was up in the same period last year the extended period of dry this year compared to last year has resulted in customers applying water much earlier in the season than usual.

Notes to the condensed interim financial statements (continued)

7. Income tax expense

The Company recognised an income tax expense of \$725,621 for the period ended 31 December 2024 (six months ended 31 December 2023 : \$222,789). The Company expects to pay tax for the year ended 30 June 2025.

8. Investments

Funds to the amount of \$2,000,000 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 2024, the Company acquired assets with a cost of \$79,715 (six months ended 31 December 2023: \$9,163). Proceeds from assets scrapped during the six months ended 31 December 2024 was \$0, (six months ended 31 December 2023: \$11,818) and resulted in a loss of \$184 (six months ended 31 December 2023: \$766 loss).

10. Intangible assets

During the six months ended 31 December 2024, the Company did not acquire any intangible assets (six months ended 31 December 2023: \$0). No intangible assets were scrapped during the six months ended 31 December 2024, (six months ended 31 December 2023: \$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 2024. 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 \$260,207, for the six months ended 31 December 2024 (six months ended 31 December 2023, \$240,907).

Other related party transactions

	Transaction value for the six months ended		Balance outstanding	
	31 Dec 2024 \$	31 Dec 2023 \$	31 Dec 2024 \$	30 June 2024 \$
Revenue – Water Sales				
Grant Burge - <i>Burge Corporation Pty Ltd</i>	156,271	168,703	-	-
Samuel P Dahlitz – <i>Dahlitz Estate Pty Ltd</i>	8,100	8,676	-	-
Timothy J McCarthy – <i>Michael McCarthy</i>	3,991	5,251	-	-
	<u>168,362</u>	<u>182,630</u>	<u>-</u>	<u>-</u>
Expense and Trade and Other Payables				
Grant Burge – <i>Burge Corp Pty Ltd</i> – water lease	-	98,656	-	-
customer rebate	-	-	1,933	64,400
Samuel P Dahlitz – <i>Dahlitz Estate Pty Ltd</i> - customer rebate	-	-	-	2,800
Timothy J McCarthy – <i>Michael McCarthy</i> - customer rebate	-	-	2,000	2,000
Geoff Davis - <i>Geoff Davis & Associates</i> – accountancy fees	14,840	13,860	-	2,530
company secretarial fees	10,500	13,350	3,850	4,895
John Kerr - <i>Capital Strategies Pty Ltd</i> – corporate advisory services	4,982	19,889	-	2,227
	<u>30,322</u>	<u>145,755</u>	<u>7,783</u>	<u>78,852</u>

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, apart from the customer rebate that is to be deducted from future invoices. None of the balances are secured.

Notes to the condensed interim financial statements (continued)

13. Commitments

The Company has no capital commitments at 31 December 2024 (2023 : \$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	\$1,500,026
Later than one year	<u>\$4,044,402</u>
	<u>\$5,544,428</u>

14. Subsequent events

There were no subsequent events to report.

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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 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 2024 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:



J L Kerr
Director



G M Davis
Director

Dated at Adelaide this 11th day of February 2025

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

To directors of Barossa Infrastructure Limited

As auditor for the review of Barossa Infrastructure Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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

William Buck

William Buck (SA)
ABN 38 280 203 274

M. D. King

M. D. King
Partner

Dated at Adelaide this 11th day of February, 2025

Independent auditor's review report to the members of Barossa Infrastructure Limited

Report on the half-year financial report



Our conclusion

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

- giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

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

- the condensed statement of financial position as at 31 December 2024,
- the condensed statement of profit or loss and other comprehensive income for the half-year then ended,
- the condensed statement of changes in equity for the half-year then ended,
- the condensed statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information/material accounting policy information, and
- the directors' declaration.

Basis for conclusion

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

Responsibilities of the directors for the financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

William Buck

William Buck (SA)
ABN: 38 280 203 274

M.D. King

M.D. King
Partner

Dated this 11th day of February, 2025.