

2022 ANNUAL REPORT



We know water trading

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MISSION, VISION AND VALUES



MISSION

Water Partners (Aust) Ltd is committed to facilitating water products and services in a transparent, reliable, and easily accessible manner; supported by personalised customer service and integrity, while benefiting the community.

VISION

Water Partners (Aust) Ltd will be recognised as a preferred and respected organisation that values people, community, the environment, and the importance water has on their lives.

VALUES

COMMUNICATION

We communicate to build relationships.

We take the time to listen to our customers and team members and better understand their needs.

We will consistently communicate in a clear, concise, and easy to understand manner.

ACCOUNTABILITY

We take ownership, deliver on our commitments (promises), are answerable to our actions and stand behind our decisions.

INTEGRITY

We are open, honest, trustworthy, and reliable and do what we say.

We make decisions based on evidence and procedural fairness.

KNOWLEDGE

Our people will have the skills and experience to work with you to achieve results and outcomes.

TRANSPARENCY

We are open about our actions and processes and will provide customers with clear information that is easy to access.

We understand and consider the views of our customers and team members.

INTRODUCTION

Welcome to the Annual Report of Water Partners (Aust) Ltd (Water Partners).

Water Partners is proud of its achievements and this annual report is provided to Members as testament to a year of ongoing service to the irrigation community.

While the 2021/22 season came with some challenges for the business, our core activities have revolved around supporting our members and traders through our signature products and services, education, and delivering transparent, market driven platforms. Above average rainfall across the regions with the return of La Nina has been a welcome respite for farmers. This has however impacted the water trading industry across the board with the Australian Water Brokers Association estimating trade activity dropped by 50% during season 2020-21 industry wide. This reduced again in 2021-22 season by a further 50%.

Business operations were also impacted by large scale Covid Lockdowns and widespread outbreaks, which restricted access, and again had staff working from home. The provision of personalised service to our members remained a focus, however the ability to attend onsite was impacted by Covid & Bio Security issues.

Staying true to our constitution, Water Partners has a commitment to listen to its members and the market and are always looking at how to make improvements or provide services for their benefit. Education seminars held by Water Partners in May 2022 were well received, along with the contribution to the development of formal water trading skills units to be added to horticulture certificate and diploma courses which should realise its value in the future.

The Member base continued to grow across a broader region and diverse demographic. Water Partners also built and maintained working relationships with Bulk Entitlement Holders, investors, and farmers, and managed several water entitlements and leases on behalf of Members.

Significant factors for our members and the business during the season include; -

- Reduced Allocation trading activity and pricing
- Reduced interest in Lease uptake due to low allocation prices
- Introduction of interim Trading Rules and Limits in Victoria
- Spike in Forward Allocation products sold
- Carryover activity increase for LRWS due to risk of spill
- Increase in Corporate traders and Investor engagement
- Reduced inter-zone trading opportunity
- Irrigator Share Distribution
- Covid and bio-security issues
- On-Farm cost increases, labour shortages and logistical issues impacted normal cycles and reduced productivity.

Seasonal conditions continue to be the most significant influencing factor on water trading activities, and the 2021/22 irrigation season was no different.

GOVERNANCE

The Board of Directors have provided governance of Water Partners (Aust) Ltd. Director profiles are contained within the financial reporting.

Directors



Paul Weller
Chairperson



Louis Chirnside
Director



Libby Maiuto
Director



Margot Henty
Director



Stephen Hanlon
Independent
Director



Isabella Villani
Independent Director
- Deputy Chair



Liz Mann
Director
- FARM Chair



Shareena Pearce
Company Secretary

STAFF

The dedicated Water Partners staff are part of our success and our most valuable assets.

Name	Position	
Donna Mulcahy	General Manager	
Robert Andrews	Senior Client Liaison Specialist	Goulburn Valley & Southern NSW
Heather Henderson	Client Liaison Specialist	<i>Resigned October 2021</i>
Lawrence Cameron	Client Liaison Specialist	Boort region
Warren Collins	Client Liaison Specialist	<i>Commenced January 2022</i> Goulburn Valley & Campaspe
Kym Ray	Business Manager	
Karen Boyd	Permanent Trade Officer	
Alessandra Petrie	Business Development Officer	
Christie Ciavarella	Allocation Trade Officer	<i>Resigned January 2021</i>
Alena Liszka	Marketing Coordinator	<i>Commenced January 2022</i> <i>Resigned May 2022</i>
Debbie McArdle	Business Support Officer	<i>Commenced June 2022</i>



Warren Collins – Customer Liaison Specialist

Warren joined Water Partners in 2022. Warren is currently covering the region west of Kyabram including, Rochester, Echuca, Cohuna and surrounding areas. He provides personalised service to irrigators to assist them with their water management and usage options and is active with several discussion groups.



Debbie McArdle – Business Support Officer

Debbie joined Water Partners in June 2022.

Debbie brings many years of experience in a business support roll with administration, reception, and accounting work, from a range of different industries.

CHAIRPERSON'S REPORT

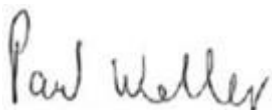
My first year as chairperson has been a challenging year for Water Partners. While good conditions benefitted our water users across the southern section of the Murray Darling Basin, this led to less demand for water and subsequently resulted in lower prices & volumes traded. Thus, Water Partners has recorded a loss of \$276,301 for the 2021/22 year, of which \$138,893 was from failed leases set up in 2019. Partial recovery of funds was achieved through various methods however, low temporary trade prices left a gap in what could be salvaged.

The Board instructed management to put procedures in place, so this does not reoccur. This has been completed and implemented by the General Manager and the board is confident that the new process, now in place for the signing of a lease, will mitigate any future risk. Without the losses incurred on these leases, the organisation would still have incurred a loss for the year. The board are working with management to improve the 2022/23 result even though we are experiencing similar or wetter conditions than the previous year.

On a positive front, this year Water Partners purchased a building in Allan St, Kyabram which will be our new home soon. This will provide greater freedom for the business to operate on our own terms and reduce the increasing costs associated with renting in the current location.

Our staff, led by Donna, have improved our promotions to a wider range of water users, as well as promoting that we are the only not-for-profit water broker in Australia. Groups the company is working with include Citrus Australia, Irrigated cropping council, Dairy business focus groups as well as the VFF and government agencies. We also have a diverse board with connections across many horticultural and farming pursuits which assists Water Partners to trade with a more diverse group of customers.

Finally, I would like to thank Donna Mulcahy and all the staff for their hard work this year. As well as Isabella Villani, the Deputy Chair, and the whole board of directors, plus the company secretary Shareena Pearce, for their diligence and support through what has been a difficult year.



Paul Weller

MEMBERSHIP

Water Partners has the following membership:

<u>Member Types</u>	<u>2021</u>	<u>2022</u>
Members	1661	1735
Active traders	<u>741</u>	<u>710</u>
Total	2402	2445

Member numbers rose by 74 this season and Trader numbers fell by 31, with the total increasing by 43. During this period, we saw a large group of members and Traders return to trading after several years of inactivity, as well as new members joining across our broader geographic area.

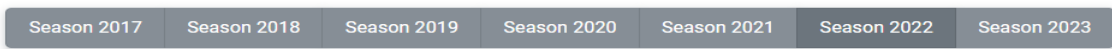
In the process of repatriating membership funds from Waterpool Trading and a review of our database, we also had members and Traders notifying us that they no longer held Water Entitlements and required no further service. This, along with natural attrition and the changing industry dynamics, has resulted in a small increase to total member numbers.

PRODUCTS & SERVICES

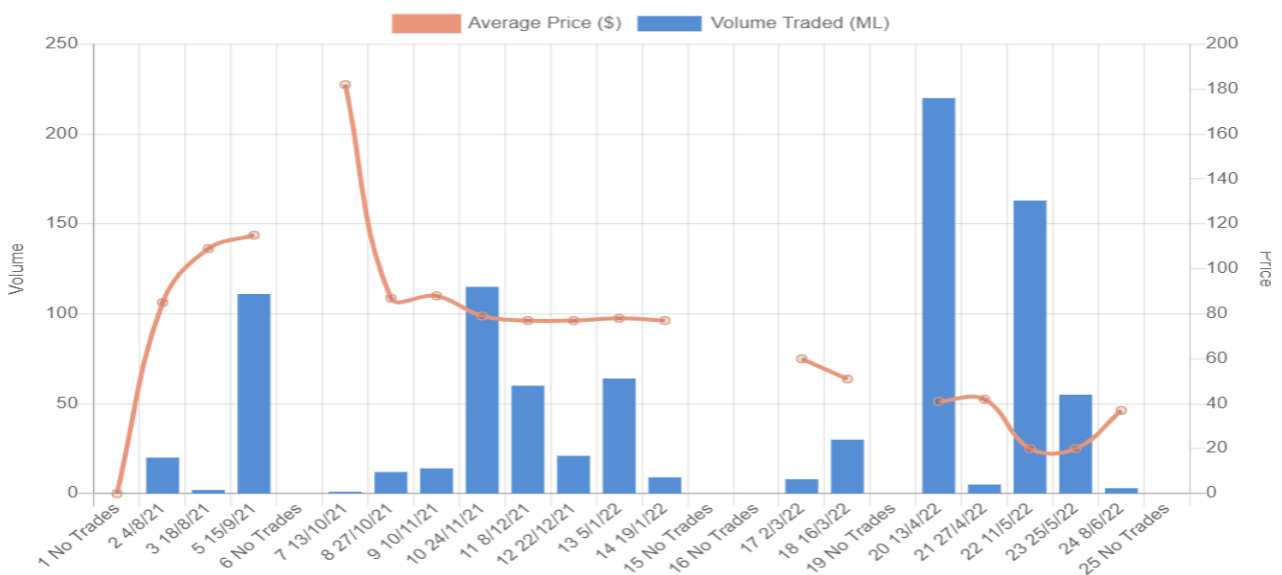
Pooled Exchange

Water Partners changed the Pooled Exchange from weekly to fortnightly in July 2021 due to waning interest in this model and a preference for live Traderooms. Throughout the 2021/22, 25 pools were run with a total of 910 ML traded.

History of Trades - Season 22, 1/7/21 - 30/6/22



Trend



Allocation

The Traderoom has become the preferred method for traders, with its instant trade matching and quick transfer of water.

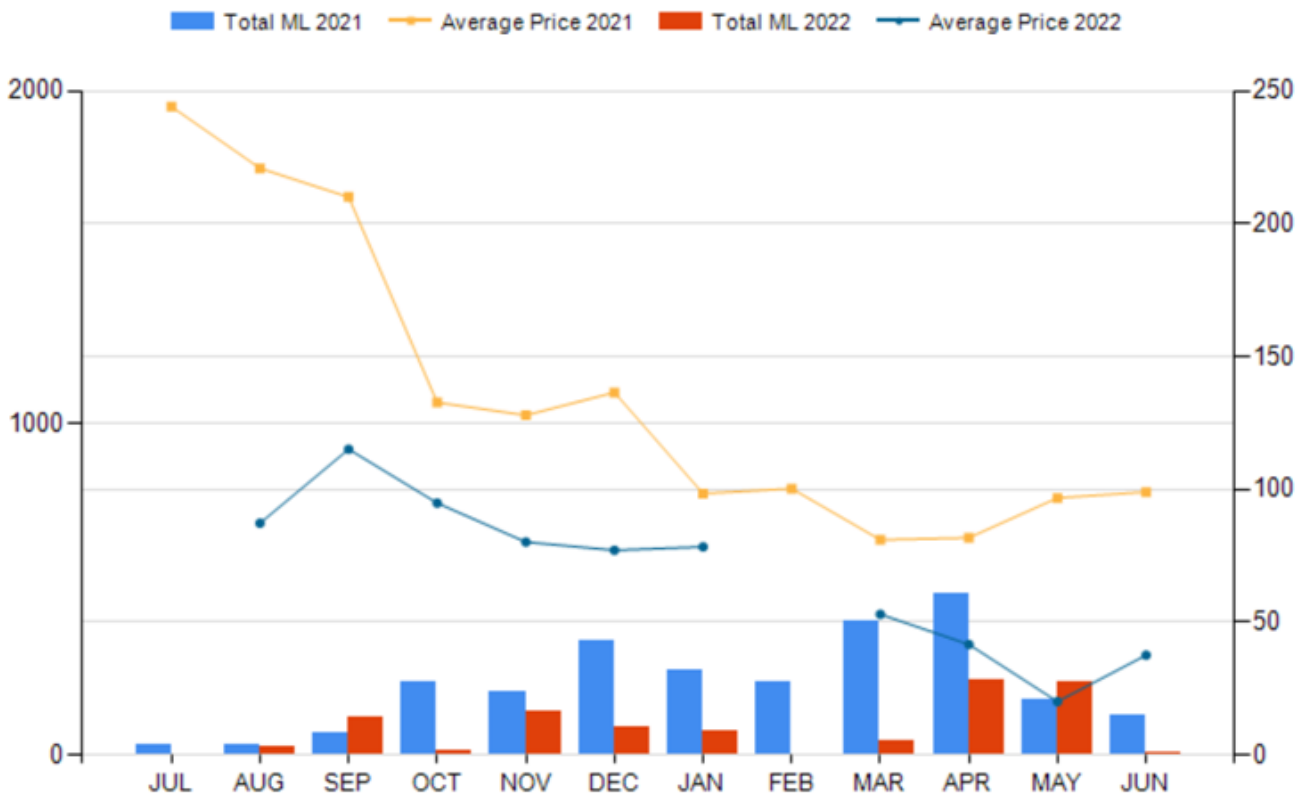
Water Partners traded volume of allocation in 2021/22 decreased by 12% over the previous year due to lower allocation prices. The total volume traded was 66,360 ML at a Weighted Average Price of \$67 per ML.

Total Allocation Trade 2021/2022:

Total Actual

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
2021	Total ML	1,244	3,569	4,942	6,378	6,637	6,077	10,824	9,693	6,826	5,229	5,970	7,728	75,117
	Total Trades	21	48	62	79	98	86	103	111	89	104	85	104	990
	Avg Price	\$254	\$210	\$217	\$140	\$143	\$146	\$125	\$100	\$94	\$83	\$99	\$101	\$143
2022	Total ML	950	3,370	7,260	4,135	4,275	8,674	5,022	7,599	6,676	6,105	5,623	6,671	66,360
	Total Trades	9	41	61	47	52	79	72	74	99	75	56	64	729
	Avg Price	\$90	\$97	\$111	\$86	\$82	\$75	\$74	\$62	\$47	\$38	\$21	\$16	\$67

With the wetter conditions and restricted trade between zones, demand from buyers was lower than the previous season. Prices were substantially lower in the second half of the season, and Traders were cautious of getting caught with excess balances and the potential for spills.



Permanent Trade

The number of Permanent Entitlements trades increased in the 2021/22 season with 67% of HRWS trade coming from the Goulburn zones, but the total volume traded decreased to 40.5% of the 2020/2021 season. Average pricing increased by 3-7.6%.

LRWS trading commenced earlier and was active through the whole season with increased trades and volumes. The average prices also picked up in Goulburn and Murray zones in response to the demand.

Water Partners Water Share trades for season 2021/22 in comparison to the previous season 2020/21, is shown in the below tables.

High Reliability	Goulburn			Zone 6			Zone 7			Total Trade
Season	21/22	20/21	Change %	21/22	20/21	Change %	21/22	20/21	Change %	Overall Change %
Number of Trades	47	32	147%	10	5	200%	5	9	55.5%	134.8%
Volume	1060.7	2384	44.5%	257.5	966	26.6%	257.5	539	47.8%	40.5%
Ave price /ML	\$4,110	\$3,990	103%	\$5,000	\$4,645	107.6%	\$6,540	\$6,020	108.6%	

Low Reliability	Goulburn			Zone 6			Zone 7			Total Trade
Season	21/22	20/21	change %	21/22	20/21	change %	21/22	20/21	change %	Overall change %
Number of Trades	35	26	134.6%	6	4	150%	4	5	80%	128.6%
Volume	1800.4	1490	120.8%	256.1	335	76.4%	95.5	233	40.9%	104.6%
Average price / ML	\$655	\$416	157.4%	\$603	\$600	100%	\$1,580	\$1,067	148%	

Water Leasing

Water Partners was proactive in the early season and signed up good volumes of leases in Murray zones commencing in the 2022/23 season. As the 2021/22 season progressed the interest from Lessees dropped across the industry and even with significant price reductions there was little interest in this type of commitment in comparison to the temporary market prices. During this season Water Partners managed 14,745.6ML of leased entitlement on behalf of both private and corporate irrigators.

Carryover Protection

Water Partners carried over 8,429ML on behalf of Members into the 2022/23 season. This was down from 10,144ML in the previous season, as space which would normally be offered for Carryover was being used to carry irrigators own excess water or had been utilised for forward allocation trade. This impacted the amount of HRWS carryover traded, which was well down on average years.

Reliability	Zone	Total Volume ML	No. Trades	Ave. Vol ML	Price Range
HRWS	1A	1,353	4	338	\$10-13
LRWS	1A	3,811	23	104.5	\$25-50
LRWS	6	3,265	5	653	\$52.50-80
		8,429	32		

Grampians Wimmera Mallee Water

Water Partners has continued rights to trade water for the Grampians Wimmera Mallee Pipeline and completed 71 trades in 2021/22, which is on par with the previous season. Over recent years, GWM Water have been moving towards the creation of market driven trading, utilising customer surpluses to fulfill overuse. Normally the overuse would be purchased from GWM Water growth water resources at a set price. The transition to the target trading model will require GWM Water to withdraw their growth water from sale which will create demand and establish the market. We have also been working with GWM Water to source Delivery Shares for their pipeline expansions.

Australian Water Brokers Association



Donna Mulcahy and Robert Andrews have been accepted as provisional members of the AWBA along with Water Partners (Aust) Ltd as an Affiliate member.

The General Manager attended an AWBA meeting in Canberra in May, with briefing on current issues, including water buy-backs, ACCC reform and trading updates. Senator Perin Davey, Water Minister - Tanya Plibersek,

Commonwealth Environmental Water Holder, Daryl Quinlivan (ACCC) and various State and Federal department presented and contributed to discussions.

NEW OFFICE LOCATION

With one year remaining on first 3-year term of the 3X3 lease of the office space at Fenaughty Street, Water Partners commenced looking at purchasing property to house the business, eventually purchasing 260 Allan Street, Kyabram in late March 2022 for \$300,000.

While the current space has served the business well, a change to the landlords and rising costs made the purchase of a property not only financially attractive but provides the business some freedom to operate and make decisions on its own terms. Water Partners will benefit by having control over the running costs such as selecting electricity providers, access to services, and our own identity in a prominent location on the main street.

Initial plans to renovate immediately were hampered by building permits, sourcing commercial builders, supply shortages and availability. In July, the business downsized the floorspace in the current building and negotiated a short-term tenancy at a reduced cost until we move into the new building.

EDUCATION AND INFORMATION

As a part of our commitment to educating users, Water Partners continues to provide assistance to all users. Information is a vital ingredient in assisting our members with their water trading decisions. Our knowledgeable staff provide the irrigation community with the most up to date information on trade, entitlement management and the raft of products available to empower irrigators in their decision making.

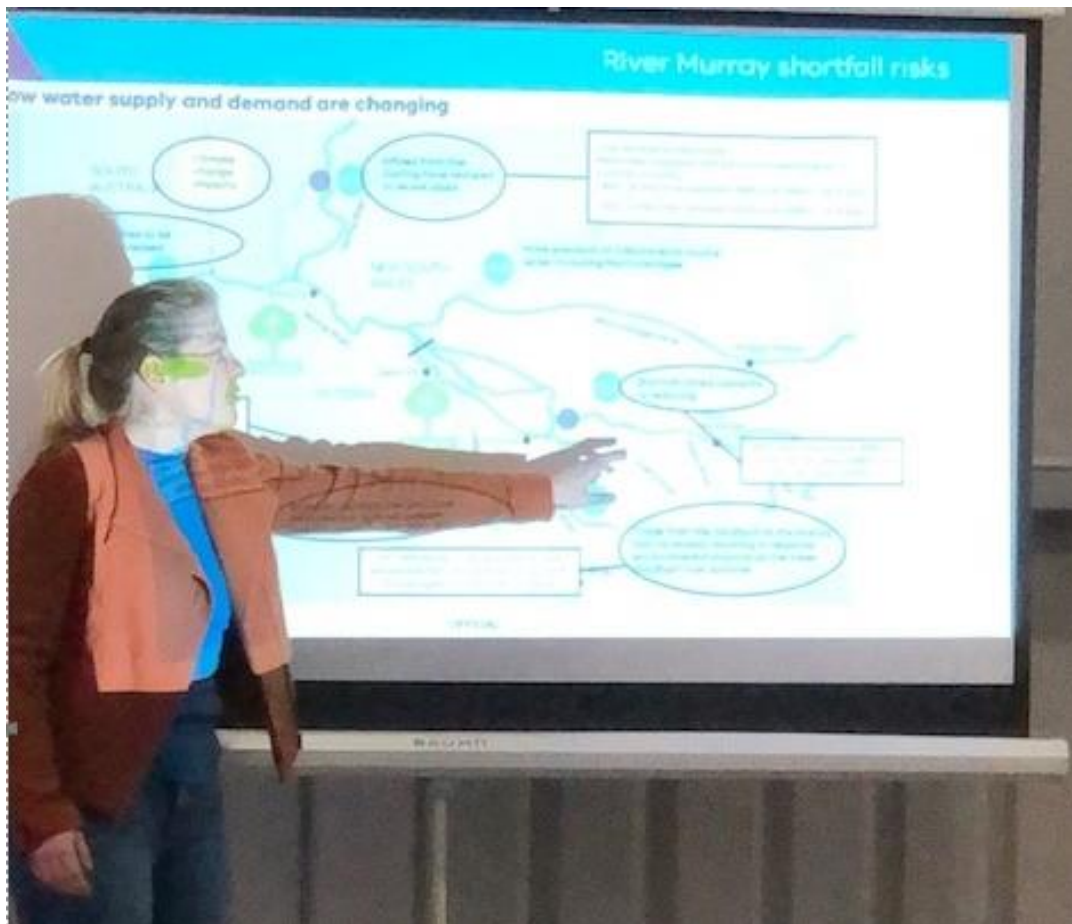
This year Water Partners presented the Irricon Information Sessions and contributed to the development of skills and qualification in Water Trading as listed below.

Irricon Information Sessions

Water Partners provided free information sessions to traders throughout Victoria on the changes to trading rules for the new season, including the Goulburn to Murray trade Limits, tagged use, Carryover and Work Licence applications.

The sessions were held in five locations along the Murray from Mildura back to Shepparton, with DELWP presenting the updates, which were well received and attended by a wide section of the irrigation community.

Presenters included Alex Murray, Sarah Ryan and Joe Banks.



Development and sponsorship of Water Trading skills units for Cert IV and Diploma.

Donna Mulcahy was asked to join the project in August 2021 as a Subject Matter Expert and contributed to all phases of the project including providing a letter of Industry Support.

Key messages from agriculture industry experts engaged at the consultation phase, include:



WATER ALLOCATION & ENTITLEMENT SKILLS

Agriculture, Horticulture, Conservation & Land Management
Version 8
Case for Endorsement

Agriculture and Production Horticulture Industry Reference Committee
Skills Impact

- Strong support for the development of two new units of competency that reflect AQF level 5 outcomes to provide the specialised skills and knowledge to:
 - (AHCWAT505) *Purchase and sell temporary water for irrigated agriculture and horticulture*
 - (AHCWAT506) *Identify carryover water or continuous accounting*
- Strong support to package these two new units:
 - as electives in eight AHC qualifications that cover job roles that may require water trading
 - in the proposed new *Temporary or Allocation Water Trading for Agriculture Managers Skill Set*
- Strong support for the development of an entry level new unit of competency that reflects AQF level 3 outcomes to provide the skills and knowledge for irrigators to (AHCWAT303) *Access, extract and monitor water for irrigation.*
- Strong support to package this new unit:
 - as an elective in eight AHC qualifications that cover job roles that may require access, extracting and monitoring irrigation water.
 - in the proposed new *Access, Extract and Monitor Water For Irrigation Skill Set.*

<ul style="list-style-type: none"> • AHCWAT505 Purchase and sell temporary water for irrigated agriculture and horticulture • AHCWAT506 Identify carryover water or continuous accounting 	<ul style="list-style-type: none"> • AHC401XX Certificate IV in Agriculture • AHC404XX Certificate IV in Horticulture • AHC501XX Diploma of Agriculture • AHC50320 Diploma of Production Horticulture • AHC504XX Diploma of Horticulture Management • AHC51619 Diploma of Irrigation • AHC51120 Diploma of Conservation and Ecosystem Management
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4.4 Letters of industry support

Letters of support have been received from 1 employers and 1 peak bodies. and can be found in **Attachment G**. Please note. More letters of support can be gathered at the request of the STAs. Support has been provided by the following organisations:

Name	Organisation	Stakeholder Group
Richard Anderson	National Farmers Federation	Employer/ Peak Industry Body
Donna Mulcahy	Water Partners	Employer

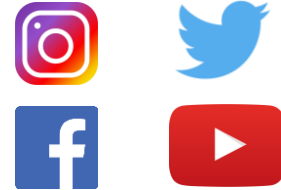
These units have been finalised and are now available in the above courses which we hope will further increase the skills and knowledge of all participants.

PROMOTIONAL ACTIVITY

The Water Partners business has been actively promoted through a number of channels.

Social Media

Activity across social media platforms is increasing steadily. Water Partners hosted pages on Facebook, Twitter, Instagram and a YouTube channel with page views increasing at a steady rate and more Members getting involved in social media.



Radio Advertising

We have a regular 2QN Brekky Post News Credit 8am sponsorship position.



Print Media

Water Partners continues to provide the Pooled Exchange results on the back page of the Country News on a weekly basis, along with the occasional feature promotion.

Newsletter

The data base list of recipients of Water Partners' Weekly Water Wrap continues to grow. The Weekly Wrap provides relevant and up to the minute information on water happenings, which is a valuable tool for our customers. The Weekly Wrap is available to all members and traders.



Website

Water Partners website provides a wealth of information with everything from trade history to current topical water news. The website provides the portal to Water Partners' online trading facilities including trading terms and conditions. The site is also Mobile Phone friendly and includes links to resources.

Field Days & Industry Meetings

With Covid restrictions severely limiting the number of face to face ever since 2020, this season we were able to get out amongst the people.

Mildura Field Days

We attended the Mildura Field Days on 20th & 21st May 2022. It was held under Covid safe conditions and was well attended over both days, resulting in new relationships and spreading the Water Partners brand.



Seymour Alternative Field Days

The Seymour Alternative Field Days was held on the 1st to the 3rd of April 2022, and we attended for the first time. A popular event that was well attended over the three days resulting in spreading the Water Partners brand.



OUR PARTNERS

Water Partners (Aust) Ltd is proud to be a corporate partner of Citrus Australia and Irrigated Cropping Council, supporting our irrigator members through education, service and up to date market knowledge.



Our relationship with Citrus Australia continues to grow with Water Partners providing assistance and trade to members far and wide, including the Forum held in Queensland which we sponsored.



Irrigated Cropping Council
Promoting irrigated agriculture

Water Partners continues to work in partnership with the Irrigated Cropping Council, which collaborates with key research and extension organisations and funding bodies. ICC ensures that growers across the region have access to the latest research in grain production and management, driving farm profitability and sustainability.

THE COMMUNITY

Pacing for Pink

Water Partners was once again a proud sponsor of the Pony Trot race at the Pacing for Pink day held at the Shepparton Harness Racing Club in May 2022. This is a main event on the Victorian harness racing calendar raising funds for the McGrath Foundation.

Director Liz Mann presented the winning trophies on behalf of Water Partners along with Glenn McGrath.



Kyabram Community & Learning Centre

Water Partners has long contributed to the community in conjunction with Kyabram Community & Learning Centre through donations to food drives, Xmas Hampers and toys for those families who are struggling in the community.



Sheridan Partners, D & V Riordan, Water Partners, Elders Insurance; Food Drive Clothing drive and Christmas.

Multiple times a year this group of local businesses (D & V Riordan, Water Partners, Elders Insurance and Sheridan Partners) hold food drives, clothing/coat and blanket drives and Christmas appeals. The goods donated to families during these appeals are generated from the Kyabram District and staff from the businesses to support families within our District. We thank all people that support these drives on behalf of all the families that receive this support throughout the year.



STEPtember



STEPtember raises money for those living with Cerebral Palsy. Water Partners entered two teams made up of staff and Board members, to walk for the cause and gain sponsors. It seems the exercise was also beneficial to the participants allowing them to get out and exercise after Covid lockdowns. Congratulations to all for raising over \$2,500 for this great cause.

**Financial Statements
for the year ended
30 June, 2022**



Water Partners (Aust) Ltd

ACN 629 196 014

Financial Statements
for the year ended
30 June, 2022

Liability limited by a scheme approved under Professional Standards Legislation

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WATER PARTNERS (AUST) LTD

ACN 629 196 014

DIRECTORS REPORT

Your directors submit the financial report of the Company for the financial year ended 30 June 2022.

DIRECTORS

The names of the directors in office at any time during or since the end of the year are:
during the year, 8 meetings of Directors were held. Attendance was as follow:

	Meetings Attended	Meetings Held
Paul Weller	8	8
Stephen Charles Rex Hanlon	8	8
Isabella Villani	8	8
Elizabeth Anne Mann	8	8
Louis Andrew Chirnside	5	8
Margot Dawn Henty	7	8
Libby Maiuto (appointed November 2021)	5	5
Shareena Pearce (Secretary)	8	8
Peter Maurice Fitzgerald (resigned November 2021)	3	3

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus Disease (COVID-19) a pandemic. Following the declaration, the Australian Government enforced bans on all non-essential travel and various levels of community lockdowns and forced closures throughout specific economic sectors, with the heaviest of these restrictions commencing on 25 March 2020. The financial market reactions and community lockdowns had significant economic and social consequences which directly affected the current and future operations as well as current and future financial results of the Company.

At the date of this report, the Directors are not aware of any financial impacts that the COVID-19 Pandemic has had on the reported financial position and performance of the Company for the year ended 30 June 2022. The Directors are wholly of the opinion that the Company will continue as a going concern. The rapid and ongoing nature of the changing economic and social conditions due to the COVID-19 pandemic makes the measurement of any future impacts impossible to determine and report.

PRINCIPAL ACTIVITIES

The primary activities and objectives of the Company are to promote the development of agricultural resources, horticultural resources, pastoral resources, viticultural resources and manufacturing resources, specifically, the facilitation of access to the economic, efficient and affordable use of water to those within the agricultural industry.

OPERATING RESULTS

The net result of the Company for the financial year was a loss of \$276,301 (net result 2021 profit of \$168,403). A negative cash flow from operating activities of \$17,547 was achieved (2021: \$761,433).

LIKELY DEVELOPMENTS AND RESULTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in the future financial years.

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibilities on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

WATER PARTNERS (AUST) LTD

ACN 629 196 014

DIRECTORS REPORT

Information on Directors

Paul Weller
Occupation
Experience and Expertise

Director
Farmer
Paul is a dairy farmer and a known and trusted community leader. Paul's governance experience includes having served as Member of Parliament for Rodney electorate, as well as various positions with United Dairy Farmers, Victorian Landcare, Vic Stock Pty Ltd, National Farmers Federation, Murray Goulburn Cooperative, Agersens Pty Ltd and National Herd Development, board member of Fonterra Australia Suppliers Council and former director and chair of Waterpool Trading Ltd.
Chair of the Board.

Special Responsibilities

Stephen Hanlon
Occupation
Experience and Expertise

Independent Director
Company Director/Consultant
Stephen has diverse corporate experience in business in Australia and the Asian region and brings knowledge and experience in Marketing, Business management, eCommerce and New Business Creation to the Board. He owns and manages several businesses in a variety of sectors. In addition, he has a family owned beef and sheep property located at Howes Creek near Mansfield.
Stephen was appointed Independent Director of Waterpool Trading Ltd. in September 2017 where his broad range of skills and insight have contributed to the business and transition to the Water Partners (Aust) Ltd entity.

Isabella Villani
Occupation
Experience and Expertise

Independent Director
Managing Director & Publisher
Isabella is Managing Director of Exceed Global, a published author and an expert in the customer experience (CX) industry, often being engaged to speak at industry forums and events. Isabella is a graduate of the Australian Institute of Company Directors and Retail Advisory Board member for Save the Children Australia.
Throughout her career, Isabella has consistently demonstrated an ability to integrate her experience across customer experience, operations, sales and marketing, technology and cultural change to optimise processes, technology assets, customer potential and human capital.

Special Responsibilities

Vice Chair of the Board.

WATER PARTNERS (AUST) LTD

ACN 629 196 014

DIRECTORS REPORT

Information on Directors (Continued)

Liz Mann	Director
Occupation	Consultant and Farmer
Experience and Expertise	Liz has over 25 years' experience working in Industry based organisations. More recently this included 20 years as Industry Development Manager/Executive Officer with the Australian Processing Tomato Research Council Inc. where she was responsible for overseeing the industry research and development program and undertaking specific sub-projects, and 8 years as the Executive Officer for the Maize Association of Australia. Liz also worked on a contract basis with Australian Consolidated Milk Pty Ltd from 2019 until late 2021 as an Organic Development Officer. Recently she has commenced work as the Executive Officer of Potatoes Australia. In addition, she also works on a consultancy basis in a range of areas including project management, board membership (AuSPICA and Waterpool) and as an agricultural expert witness. From 2010 to 2019 Liz also managed approximately \$60M of funding under the On-Farm Irrigation Efficiency Program which is funded through the Australian Government's Sustainable Rural Water Use and Infrastructure Program.
Special Responsibilities	Chair of the FARM Committee.
Louis Andrew Chirnside	Director
Occupation	Farmer
Experience and Expertise	Louis is an irrigation and dry land farmer located between Boort and Kerang. The properties are supplied with water from the Torrumbarry (Zone 7) and Goulburn (Zones 1A & 1B) irrigation systems. The enterprise is 100% annual cropping, comprising mainly of tomatoes, cereals, canola and legumes. Louis is also the Australian and New Zealand distributor for J & M Inc., who manufacture farm equipment in the USA. Current and past industry positions include Executive Officer – Australian Processing Tomato Growers (APTG) and President – World Processing Tomato Council (WPTC).
Margot Henty	Director
Occupation	Farmer
Experience and Expertise	Margot is a Cohuna based, intensive irrigated dairy farmer who has had a lifelong interest in natural resource management and agriculture. Margot has been a non-executive director of the Board of Goulburn Murray Water Corporation since September 2015 and is a Member of the Australian Institute of Company Directors. Margot joins the board of Water Partners (Aust) Ltd from her previous director role with Waterpool Trading Ltd.
Libby Maiuto	Director
Occupation	Assistant Director
Experience and Expertise	Libby has nearly 30 years experience in the horticulture sector where her experience is varied from growing, pre-curing from growers and packing for growers, distributing to domestic and export markets. She manages the financial and compliance matters of a diverse family business in the fresh produce industry. Libby joined the Water Partners board in 2021.

WATER PARTNERS (AUST) LTD

ACN 629 196 014

DIRECTORS REPORT

DIRECTORS BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit other than:

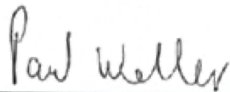
- (i) A benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts; or
- (ii) a fixed salary as a full-time employee of the entity or of a related corporation,

by reason of a contract made by the entity or a related entity corporation with the director or with a firm of which they are a member or with an entity in which they have a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2022 has been received.

Signed in accordance with a resolution of the Board of Directors.



DIRECTOR



DIRECTOR

Dated this 26 day of September 2022.

Independent Audit Report to the Members of

WATER PARTNERS (AUST) LTD.



Unqualified Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Water Partners (Aust) Ltd, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes comprising a summary of the significant accounting policies and other explanatory information, and the director's declaration.

In our opinion, the financial report of the Water Partners (Aust) Ltd. has been prepared in accordance with Div. 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, 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 year ended on that date; and
- ii. Complying with Australian Accounting Standards and Div. 60 of the *Australian Charities and Not-for-Profits Commission regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

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

Information Other Than the Financial Report and Auditor's Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Liability limited by a scheme approved under Professional Standards Legislation

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ACCOUNTING & AUDIT SOLUTIONS BENDIGO

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine necessary 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.

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

Auditor's Responsibility

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

- Identify and assess the risks of material misstatement of the financial report , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the Company.
- Conclude on the appropriateness of the Company's' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, or if disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease or continue as a going concern.

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ACCOUNTING & AUDIT SOLUTIONS BENDIGO

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report presents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ACCOUNTING AND AUDIT SOLUTIONS BENDIGO



Bradley Dowsey
Registered Auditor # 528899

Dated: 29th September 2022

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AUDITOR'S INDEPENDENCE DECLARATION

Under the *Australian Charities and Not-for-profits Commission Act 2012 Section 60-40*

TO THE DIRECTORS OF WATER PARTNERS (AUST) LTD

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of Water Partners (Aust) Ltd. As the lead auditor for the audit of the financial report of Water Partners (Aust) Ltd. for the year ended 30 June 2022, I declare that, to the best of my knowledge, there have been no contraventions of:

- (1) the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (2) any applicable code of professional conduct in relation to the audit.

ACCOUNTING AND AUDIT SOLUTIONS BENDIGO


Bradley Dowsey
Registered Auditor # 528899

Dated: 29th September 2022

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WATER PARTNERS (AUST) LTD

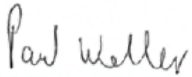
ACN 629 196 014

DIRECTORS DECLARATION

In accordance with a resolution of the directors of WATER PARTNERS (AUST) LTD, the directors declare that:

1. The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion 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 subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



DIRECTOR



DIRECTOR

Dated this 26 day of September 2022.

WATER PARTNERS (AUST) LTD

ACN 629 196 014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue from Operating Activities	(2a)	995,692	1,223,024
Revenue from Non-Operating Activities	(2b)	2,405	218,710
Employee Expenses	(3)	(752,702)	(828,914)
Operating Expenses	(3)	(435,354)	(365,774)
Depreciation and Amortisation	(4)	(86,342)	(78,643)
NET RESULT FOR THE YEAR		(276,301)	168,403
Other Comprehensive Income for the year			
Contributions from Waterpool Trading Ltd.	(2c)	-	76,551
Total Other Comprehensive Income for the year		-	76,551
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(276,301)	244,954

The above Statement should be read in conjunction with the Notes to the Accounts

WATER PARTNERS (AUST) LTD

ACN 629 196 014

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and Cash Equivalents	(5)	1,522,555	1,688,343
Trade and Other Receivables	(6)	114,819	320,276
Other Current Assets	(7)	7,749	8,137
TOTAL CURRENT ASSETS		1,645,123	2,016,756
NON-CURRENT ASSETS			
Right of Use Assets	(8)	-	104,955
Property, Plant and Equipment	(9)	440,665	179,910
TOTAL NON-CURRENT ASSETS		440,665	284,865
TOTAL ASSETS		2,085,788	2,301,621
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	(10)	1,088,565	1,141,071
Interest Bearing Liabilities	(11)	16,716	45,048
Short-term Provisions	(12)	92,972	73,195
TOTAL CURRENT LIABILITIES		1,198,253	1,259,314
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	(11)	202,249	80,016
Long-term Provisions	(12)	13,958	14,662
TOTAL NON-CURRENT LIABILITIES		216,207	94,678
TOTAL LIABILITIES		1,414,460	1,353,992
NET ASSETS		671,328	947,629
EQUITY			
Retained Earnings		671,328	947,629
TOTAL EQUITY		671,328	947,629
Capital and Leasing Commitments	(15)		
Contingent Liabilities and Contingent Assets	(16)		

The above Statement should be read in conjunction with the Notes to the Accounts

WATER PARTNERS (AUST) LTD

ACN 629 196 014

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	<i>Retained Earnings</i> \$	<i>TOTAL</i> \$
2021		
<i>Balance at beginning of year</i>	702,675	702,675
Net result	168,403	168,403
Other Comprehensive Income	76,551	76,551
<i>Balance at end of year</i>	<u>947,629</u>	<u>947,629</u>
2022		
<i>Balance at beginning of year</i>	947,629	947,629
Net result	(276,301)	(276,301)
Other Comprehensive Income	-	-
<i>Balance at end of year</i>	<u>671,328</u>	<u>671,328</u>

The above Statement should be read in conjunction with the Notes to the Accounts

WATER PARTNERS (AUST) LTD

ACN 629 196 014

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Fees, Sales and Commissions		1,327,472	5,979,118
Payments to Suppliers		(555,121)	(4,292,481)
Payments to Employees		(733,629)	(847,067)
Net GST Paid to ATO		(56,269)	(78,137)
Net Cash Provided by Operating Activities	(18b)	(17,547)	761,433
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment, Other Assets		(320,859)	(163,227)
Contributions Received from Waterpool Trading Ltd.		-	76,551
Proceeds from Disposal of Property, Plant and Equipment		-	14,237
Net Cash (Used in) Investing Activities		(320,859)	(72,439)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		210,000	-
Repayment of Borrowings		(37,382)	(52,034)
Net Cash (used in) Financing Activities		172,618	(52,034)
Net Increase in Cash Held		(165,788)	636,960
Cash at Beginning of Financial Year		1,688,343	1,051,383
Cash at End of Financial Year	(18a)	1,522,555	1,688,343

The above Statement should be read in conjunction with the Notes to the Accounts

WATER PARTNERS (AUST) LTD

ACN 629 196 014

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts shown in the financial statements are expressed to the nearest \$1.

(a) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts.

For the Statement of Cash Flows presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Statement of Financial Position.

(b) Receivables

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

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

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed by the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the profit or loss during the financial period in which they are incurred.

(d) Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The depreciation rates for each class of depreciable assets are:

	2022	2021
Plant & Equipment	15-40%	15-40%
Computer Equipment	25-34%	25-34%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value-in-use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Payables

Payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Provisions

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(h) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are represented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Employee Benefits

Short-term employee benefits

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

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of the current trade and other payables in the Statement of Financial Position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments are measured at present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields or Government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the exchanges occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Employee Benefits (continued)

The Company's obligations for long-term employee benefits are presented as non-current provision in the Statement of Financial Position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are present as current provisions.

On-Costs

Employee benefit on-costs, such as superannuation and workers compensation are recognised together with the provisions for employee benefits.

Superannuation

Contributions to contribution superannuation plans are expensed when incurred.

(j) Leases

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Company, where the Company is a lessee. However, all contracts that are classified as short-term (lease with remaining lease term of 12 months or less) and leases of low value (where the value of the underlying asset when new is less than \$10,000) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and any impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflect that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(k) Borrowings

All borrowings are initially recognised at fair value on the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on, whether the Company has categorised its borrowings as either, financial liabilities designated at fair value through profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the interest bearing liability using the effective interest rate method.

(l) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Company's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments* : Presentation.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Company to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Company's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments* : Presentation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(l) Financial Instruments (continued)

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Company to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Company recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Company to achieve its objective both by collecting the contractual cash flows and by selling the
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and the Company has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above. However, as an exception to those rules above, the Company may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as well as certain 5-year government bonds as fair value through net result.

Financial liabilities at amortised cost are initially recognised on the date they are originated.

They are initially measured at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Company recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

(m) Income Recognition

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not-for-Profit Entities*. Income is recognised as revenue to the extent it is earned.

Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties, and taxes.

WATER PARTNERS (AUST) LTD
ACN 629 196 014

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(n) New and amended Accounting Policies Adopted by the Company

There are no new or amended accounting standards which had an impact on the Company during the reporting period.

(o) New and Amended Accounting Policies Not Yet Adopted by the Company

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Company and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

WATER PARTNERS (AUST) LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE

	2022	2021
	\$	\$
a) Revenue from Operating Activities		
Fees, Commissions and Leasing Income	995,692	1,223,024
Total Revenue from Operating Activities	<u>995,692</u>	<u>1,223,024</u>
b) Revenue from Non-Operating Activities		
Interest	991	1,574
Grants - COVID-19	-	185,550
Sundry Income	1,414	31,586
Total Revenue from Non-Operating Activities	<u>2,405</u>	<u>218,710</u>
Total Revenue	<u>998,097</u>	<u>1,441,734</u>
Other Comprehensive Income		
c) Contributions Received from Waterpool Trading Ltd		
Cash	-	76,551
Total Contributions Received from Waterpool Trading Ltd	<u>-</u>	<u>76,551</u>
Total Other Comprehensive Income	<u>-</u>	<u>76,551</u>
Total Revenue & Other Comprehensive Income	<u>998,097</u>	<u>1,518,285</u>

NOTE 3: EXPENSES

	2022	2021
	\$	\$
Employee Expenses		
Salaries and Wages	655,158	757,128
Other Employee Costs	97,544	71,786
	<u>752,702</u>	<u>828,914</u>
Operating Expenses		
Administration	148,976	178,489
Advertising and Promotion	59,445	43,460
Occupancy and Associated costs	11,391	8,681
Sundry Expenses	76,649	127,084
Bad Debt	138,893	5,178
(Profit)/Loss on Disposal of Assets	-	2,882
	<u>435,354</u>	<u>365,774</u>
Total Expenses	<u>1,188,056</u>	<u>1,194,688</u>

The bad debt expense is represented by a contract that commenced in 2019 that subsequently fell over.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 4: DEPRECIATION

	2022 \$	2021 \$
<i>Depreciation for the year was charged in respect of:</i>		
Plant and Equipment	36,415	36,095
Computer Equipment and Software	23,689	16,310
Right of Use Assets	26,238	26,238
Total Depreciation	86,342	78,643

NOTE 5: CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash at Bank	1,522,555	1,688,343
TOTAL CASH AND CASH EQUIVALENTS	1,522,555	1,688,343

NOTE 6: TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
Trade Receivables	114,819	320,276
TOTAL TRADE AND OTHER RECEIVABLES	114,819	320,276

NOTE 7: OTHER CURRENT ASSETS

	2022 \$	2021 \$
Prepayments	7,749	8,137
TOTAL OTHER CURRENT ASSETS	7,749	8,137

NOTE 8: RIGHT OF USE ASSET

	2022 \$	2021 \$
Leased building	-	157,431
Less: Accumulated Depreciation	-	(52,476)
TOTAL RIGHT OF USE ASSET	-	104,955

Water Partners (Aust) Ltd's lease portfolio included a building.
Water Partners (Aust) Ltd's chose not to exercise its option extend the lease.

Reconciliation of the carrying amounts of Right of Use Assets at the beginning and end of the current financial year is set out below:

	2022 \$	2021 \$
Balance at 1 July	104,955	131,193
Less Derecognition - Right of Use Assets	(78,717)	-
Less Depreciation - Right of Use Assets	(26,238)	(26,238)
Balance at 30 June	-	104,955

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2022 \$	2021 \$
Land & Buildings at Cost	319,406	-
Less: Accumulated Depreciation	-	-
	<u>319,406</u>	<u>-</u>
Plant and Equipment at Cost	151,601	150,148
Less: Accumulated Depreciation	(72,559)	(36,144)
	<u>79,042</u>	<u>114,004</u>
Computer Equipment & Software	89,658	89,658
Less: Accumulated Depreciation	(47,441)	(23,752)
	<u>42,217</u>	<u>65,906</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>440,665</u>	<u>179,910</u>

RECONCILIATION OF CARRYING VALUES OF ALL ASSET CLASSES

	Buildings at Cost \$	Plant and Equipment \$	Computer Equipment & Software \$	TOTAL \$
Balance at 1 July 2020	-	57,304	28,903	86,207
Additions	-	109,914	53,313	163,227
Disposals	-	(17,119)	-	(17,119)
Depreciation	-	(36,095)	(16,310)	(52,405)
Opening Balance at 1 July 2021	<u>-</u>	<u>114,004</u>	<u>65,906</u>	<u>179,910</u>
Additions	319,406	1,453	-	320,859
Disposals	-	-	-	-
Depreciation	-	(36,415)	(23,689)	(60,104)
Balance at 30 June 2022	<u>319,406</u>	<u>79,042</u>	<u>42,217</u>	<u>440,665</u>

NOTE 10: TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
CURRENT		
Trade Payables	749,543	924,072
Net Amounts Payable to ATO	31,852	44,204
Accrued Expenses	307,170	172,795
TOTAL TRADE AND OTHER PAYABLES	<u>1,088,565</u>	<u>1,141,071</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 11: INTEREST BEARING LIABILITIES

	2022	2021
	\$	\$
CURRENT		
Loans	6,312	-
Leases - Equipment	10,404	20,601
Leases - Right of Use Asset	-	24,447
	16,716	45,048
NON-CURRENT		
Loans	202,249	-
Leases - Right of Use Asset	-	80,016
	202,249	80,016
	218,965	125,064

The loan is secured by registered first mortgage against the property at 260 Allan st, Kyabram. The term of the loan is 20 years. The rate of interest applicable on the loan at balance date is 4.640%.

NOTE 12: PROVISIONS

	2022	2021
	\$	\$
EMPLOYEE BENEFITS:		
CURRENT		
Annual Leave at Nominal Value	74,865	56,705
Long Service Leave at Present Value	18,107	16,490
	92,972	73,195
NON-CURRENT		
Long Service Leave at Present Value	13,958	14,662
	106,930	87,857

NOTE 13: RELATED PARTY TRANSACTIONS

(a) Responsible Persons

Names of persons holding the position of Responsible Person of the Company at any time during the year are:

Directors:	Paul Weller
	Stephen Charles Rex Hanlon
	Isabella Villani
	Elizabeth Anne Mann
	Louis Andrew Chirnside
	Margot Dawn Henty
	Libby Maiuto
	Peter Maurice Fitzgerald

Secretary:	Shareena Pearce
General Manager	Donna Mulcahy

WATER PARTNERS (AUST) LTD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 13: RELATED PARTY TRANSACTIONS (continued)

(b) Executive Officers Remuneration

The number of Directors who have held office during the financial year and their remuneration including superannuation, are

	2022 \$	2021 \$
Paul Weller	13,823	10,950
Margot Dawn Henty	8,712	8,672
Stephen Hanlon	8,712	8,672
Louis Chirnside	8,712	8,672
Isabella Villani	10,046	8,672
Elizabeth Anne Mann	8,712	5,059
Libby Maiuto	5,082	-
Peter Fitzgerald	6,600	15,768
Peter Mulcahy	-	3,613
Total Remuneration	70,399	70,078

As per a resolution passed at the annual general meeting, "Directors be entitled to a monthly Directors fee to compensate time and responsibilities involved and with flexibility to cover Chairman's allowance and Committee roles. The total Directors and Board remuneration pool will be a maximum of \$75,000 annually".

	2022 \$	2021 \$
(c) Related Party Transactions		
Margot Henty (water trades)	4,050	13,613
Elizabeth Anne Mann (water trades)	10,735	89,760
Louis Chirnside (water trades & parking fees)	80,362	269,347
Paul Weller (water trades)	110,100	113,559
Peter Fitzgerald (water trades)	-	215,501

Transactions between related parties are on normal commercial terms and conditions and no more favourable than those available to other persons unless otherwise stated.

(d) Members Guarantee

Water Partners (Aust) Ltd. is incorporated under the *Corporations Act 2001* and is a company limited by Guarantee. If it is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

NOTE 14: REMUNERATION OF AUDITORS

	2022 \$	2021 \$
Remuneration of the Auditor for:		
- auditing or reviewing the financial report	10,700	10,700
	10,700	10,700

WATER PARTNERS (AUST) LTD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 15: CAPITAL & LEASING COMMITMENTS

	2022	2021
	\$	\$
Operating Lease Commitments		
Payable		
- Not longer than 1 year	1,489	-
- Longer than 1 years but not longer than 5 years	4,838	-
- Longer than 5 years	-	-
	6,327	-

In September 2021, Water Partners (Aust) Ltd. entered into a lease for a photocopier. The terms of the lease was five years with monthly payments of \$124.06. There are no provisions for lease payment increases within the lease schedule.

As at the date of this report, the Company has not entered into any agreement for capital expenditure.

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent liability as at 30 June 2022.

The Directors are not aware of any contingent assets as at 30 June 2022.

NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Company at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with certainty the potential impact of the pandemic after the reporting date on the Company, its operations, its future results and financial position.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the company in subsequent financial years.

NOTE 18: RECONCILIATION OF CASH

	2022	2021
	\$	\$
(a) For the purpose of the Statement of Cash Flows, Cash and cash equivalents comprise the following at 30 June:		
Cash & Cash Equivalents - Operational Funds (refer Note 5)	1,522,555	1,688,343
	1,522,555	1,688,343

	2022	2021
	\$	\$
(b) Reconciliation of net cash flows from operating activities to Net Result		
Net Result	(276,301)	168,403
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets	-	2,882
Depreciation	86,342	78,643
(Increase) / Decrease in Trade & Other Receivables	205,457	4,401,801
(Increase) / Decrease in Other Assets	388	612
Increase / (Decrease) in Trade & Other Payables	(52,506)	(3,872,755)
Increase / (Decrease) in Provisions	19,073	(18,153)
	(17,547)	761,433

NOTE 19: COMPANY DETAILS

The Registered Office and Principal Place of Business of the Company is:
Water Partners (Aust) Ltd
147 Fenaughty St
Kyabram Victoria 3620

WATER PARTNERS (AUST) LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise deposits with banks, accounts receivable, accounts payable, and interest bearing liabilities. Statutory receivables and payables have been excluded from these values.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Carrying Amount 2022 \$	Carrying Amount 2021 \$
Financial Assets			
Cash and Cash Equivalents	(5)	1,522,555	1,688,343
Trade and Other Receivables	(6)	114,819	320,276
Total Financial Assets		1,637,374	2,008,619
Financial Liabilities			
At amortised cost			
Trade and Other Payables	(10)	749,543	924,072
Interest Bearing Liabilities	(11)	218,965	125,064
Total Financial Liabilities		968,508	1,049,136

The Directors of the Company are responsible for monitoring and managing financial risk exposures of the Company. The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company

The Company does not have any material credit risk exposures.

Credit risk exposures

The maximum exposure to credit risk, by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The entity has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

WATER PARTNERS (AUST) LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

The table below discloses the contractual maturity analysis for the Company's financial liabilities.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade and Other Payables	749,543	924,072	-	-	-	-	749,543	924,072
Interest Bearing Liabilities	16,716	45,048	31,560	80,016	170,689	-	218,965	125,064
Total contractual outflows	766,259	969,120	31,560	80,016	-	-	968,508	1,049,136
Total expected outflows	766,259	969,120	31,560	80,016	-	-	968,508	1,049,136
Financial Assets - Cash flow realisable								
Cash and Cash Equivalents	1,522,555	1,688,343	-	-	-	-	1,522,555	1,688,343
Trade & Other Receivables	114,819	320,276	-	-	-	-	114,819	320,276
Total anticipated inflows	1,637,374	2,008,619	-	-	-	-	1,637,374	2,008,619
Net inflow on financial instruments	871,115	1,039,499	(31,560)	(80,016)	-	-	668,866	959,483

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

(c) Market Risk

(i) Interest rate risk

The financial assets of the Company are not exposed to any significant interest rate risk since cash balances are maintained at various fixed interest rates.

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used.

The interest rate exposure on the debt portfolio is managed by appropriate budgeting strategies and by managing in accordance with target maturity profiles.

(ii) Price risk

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company is exposed to insignificant foreign currency risk and other price risks.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposure to changes in interest rates. The table indicates the impact on how profit at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

- A parallel shift of + 1% and -2% in market interest rates (AUD).

	Profit \$	Equity \$
Year ended 30 June 2022		
+1% in interest rates	13,036	13,036
-2% in interest rates	(26,072)	(26,072)
Year ended 30 June 2021		
+1% in interest rates	15,633	15,633
-2% in interest rates	(31,266)	(31,266)

No sensitivity analysis has been performed on foreign exchange risk as the Company is not exposed to foreign currency fluctuations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

Net Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Company.

Net Fair Value

	Net Carrying Amount 2022 \$	Net Fair Value 2022 \$	Net Carrying Amount 2021 \$	Net Fair Value 2021 \$
Financial Assets				
Cash at Bank	1,522,555	1,522,555	1,688,343	1,688,343
Trade & Other Receivables	114,819	114,819	320,276	320,276
Total Financial Assets	1,637,374	1,637,374	2,008,619	2,008,619
Financial Liabilities				
Trade & Other Payables	749,543	749,543	924,072	924,072
Interest Bearing Liabilities	218,965	218,965	125,064	125,064
Total Financial Liabilities	968,508	968,508	1,049,136	1,049,136