

The Creeks Pipeline Company Limited
(ACN 133 867 197)

31 December 2024
Interim Financial Report

The Creeks Pipeline Company Limited

31 DECEMBER 2024
INTERIM FINANCIAL REPORT

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Directors' Report

The directors present their report together with the half-year financial report 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:

Name	Period of directorship
Non-executive	
Mr John Leslie Kerr (Chair)	Director since 1 January 2010
Ms Dianne Margaret Davidson	Director since 24 October 2008
Mr David James Watkins	Director since 24 October 2008
Mr David Andrew Eckert	Director since 25 August 2020
Ms Sarah Joy Keough	Director since 1 September 2023

Review of operations

The Company continued providing water delivery services during the period. Water deliveries for the half year totalled 7,917 megalitres (previous half year: 5,352 megalitres).

Revenue of \$2,009,816 was received for the six months (previous half year: \$1,507,847).

The profit for the half year ended 31 December 2024 amounted to \$313,233 (previous half year: \$237,532).

Whilst the future volume of water deliveries will be determined by weather, river and lake conditions, the Company's net financial position will be largely unaffected given fixed costs are recovered through the charging of non-take fees to all customers.

The Company's solar farm at Jerois was completed during the half. It was operational from 12 December 2024. The total costs capitalised to the project to 31 December 2024 is \$6,360,686.

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Directors' Report (continued)


Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 17 and forms part of the directors' report for the six months ended 31 December 2024.

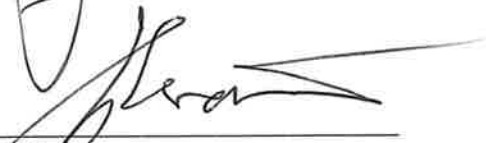
Rounding off

The Company is not of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and therefore cannot 'round off' any amounts in the half-year financial report and director's report to the nearest thousand dollars. The Company must show the amounts in the directors' report and half-year financial reports at the nearest whole dollar of the amount.

Signed in accordance with a resolution of the directors:



J.L. Kerr
Chair



D.J. Watkins
Director

Langhorne Creek, S.A.

5 March 2025

The Creeks Pipeline Company Limited

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Condensed Interim Statement of Financial Position

As at 31 December 2024

	<i>Note</i>	31 Dec 2024 \$	30 Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents	12	438,510	958,900
Trade and other receivables	11	909,769	480,831
Inventories		534,079	532,628
Prepayments		95,327	37,065
Investments	13	2,350,801	5,133,011
Other assets	14	331,287	222,822
Total current assets		4,659,773	7,365,257
Non-current assets			
Property, plant and equipment	9	16,365,498	13,186,339
Deferred tax asset	10	720,899	872,874
Total non-current assets		17,086,397	14,059,213
Total assets		21,746,170	21,424,470
Liabilities			
Current liabilities			
Trade and other payables	15	248,202	179,833
Employee benefits	17	70,600	78,120
Total current liabilities		318,802	257,953
Non-current liabilities			
Deferred tax liability	18	2,275,123	2,324,425
Employee benefits	17	1,450	4,530
Total non-current liabilities		2,276,573	2,328,955
Total liabilities		2,595,375	2,586,908
Net assets		19,150,795	18,837,562
Equity			
Issued capital		14,525,496	14,525,496
Reserves		4,280,000	4,280,000
Retained earnings		345,299	32,066
Total equity		19,150,795	18,837,562

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2024

	<i>Note</i>	31 Dec 2024 \$	31 Dec 2023 \$
Continuing Operations			
Revenue		2,009,816	1,507,847
Cost of sales		<u>(708,556)</u>	<u>(476,328)</u>
Gross profit		1,301,260	1,031,519
Other income		9,195	58,095
Operating and administrative expenses		<u>(977,536)</u>	<u>(988,898)</u>
Results from operating activities		332,919	100,716
Finance income		82,986	215,974
Net finance income		<u>82,986</u>	<u>215,974</u>
Profit before income tax		415,905	316,690
Income tax (expense)/benefit	<i>8</i>	<u>(102,673)</u>	<u>(79,159)</u>
Profit from continuing operations		<u>313,233</u>	<u>237,532</u>
Profit for the period		<u>313,233</u>	<u>237,532</u>
Total comprehensive income for the period		<u>313,233</u>	<u>237,532</u>

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Changes in Equity

For the six months ended 31 December 2023

	Share Capital	Retained Earnings	Infrastructure Replacement Reserve	Total Equity
Balance at 1 July 2023	\$ 14,525,496	\$ 14,378	\$ 3,980,000	\$ 18,519,874
Total comprehensive income for the period	-	237,532	-	237,532
Profit	-	237,532	-	237,532
Total comprehensive income for the period	-	237,532	-	237,532
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	-	-	-	-
Ordinary shares subscribed but not issued	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 December 2023	14,525,496	251,910	3,980,000	18,757,406

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Changes in Equity (continued)

For the six months ended 31 December 2024

	Note	Share Capital	Retained Earnings	Infrastructure Replacement Reserve	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2024		14,525,496	32,066	4,280,000	18,837,562
Total comprehensive income for the period		-	313,233	-	313,233
Profit		-	313,233	-	313,233
Total comprehensive income for the period		-	313,233	-	313,233
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Issue of ordinary shares		-	-	-	-
Ordinary shares subscribed but not issued		-	-	-	-
Total contributions by and distributions to owners		-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 31 December 2024		14,525,496	345,299	4,280,000	19,150,795

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Condensed Interim 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			
Profit before income tax for the period		415,905	316,690
Adjustments for:			
Depreciation		262,607	251,040
Income tax expense	<i>8</i>	<u>(102,673)</u>	<u>(79,159)</u>
		575,839	488,571
Change in assets and liabilities (attributable to the operating activities of the company)			
Decrease in trade and other receivables		(428,938)	304,296
Increase in prepayments		(58,262)	(45,678)
Increase in inventories and other assets		(109,915)	(735,324)
Increase in trade and other payables		68,369	(57,006)
Increase/(Decrease) in the provision for employee benefits		(10,600)	4,747
Change in deferred income tax		102,673	79,159
		<u>139,166</u>	<u>38,765</u>
Income taxes paid		-	-
Net cash used in operating activities		<u>139,166</u>	<u>38,765</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	<i>9</i>	(3,441,766)	(1,139,772)
Proceeds from term deposits		2,782,210	960,004
Net cash provided by/(used in) investing activities		<u>(659,556)</u>	<u>(179,768)</u>
Cash flows from financing activities			
Proceeds from payment of restricted water agreements		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(520,390)	(141,003)
Cash and cash equivalents at 1 July		958,900	918,007
Cash and cash equivalents at 31 December	<i>12</i>	<u>438,510</u>	<u>777,004</u>

The condensed notes on page 10 to 15 are an integral part of these condensed interim financial statements.

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Notes to the Condensed Interim Financial Statements

1. Reporting entity

The Creeks Pipeline Company Limited (the "Company") is a company domiciled in Australia. The financial report of the Company for the year ended 30 June 2024 is available upon request from the Company's registered office at 1507 Langhorne Creek Road Langhorne Creek SA 5255.

2. Statement of compliance

This general purpose condensed financial report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2024.

This general purpose condensed financial report for the half-year ended 31 December was approved by the Board of Directors on 25 February 2025.

3. Material accounting policies

The accounting policies applied by the Company in the half-year financial report are the same as those applied by the Company in its financial report for the year ended 30 June 2024.

4. Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions 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.

In preparing the half-year financial report, 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 for the year ended 30 June 2024.

5. Financial risk management

The Company's financial risk management objectives and policies are consistent with that disclosed in the financial report for the year ended 30 June 2024.

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Notes to the Condensed Interim Financial Statements (continued)

6. Segment reporting

The single individual business segment in which the Company operates is the management of a pipeline network to supply irrigation water delivery services in the Langhorne Creek and Currency Creek regions.

7. Seasonality of operations

In a normal irrigation season the majority of the water taken by customers occurs in the November to March period.

8. Income tax expense

Note	31 Dec 2024	31 Dec 2023
	\$	\$
Current tax expense		
Current period	-	-
Adjustments for prior periods	-	-
	<u>-</u>	<u>-</u>
Deferred tax expense		
Origination and reversal of temporary differences	(1,304)	(14)
Current year tax profit	103,977	79,173
Total income tax expense/(benefit)	102,673	79,159
Profit for the period	313,233	237,532
Total income tax expense/(benefit)	102,673	79,159
Profit excluding income tax	<u>415,906</u>	<u>316,691</u>
Income tax using a tax rate of 25.0 percent	103,977	79,173
Non-deductible expenses	-	-
Movement in unrecognised temporary differences	(1,304)	(14)
Tax expense/(benefit)	102,673	79,159

9. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2024, the Company acquired assets and made infrastructure improvements for a total cost of \$3,441,766.

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Notes to the Condensed Interim Financial Statements (continued)

10. Deferred tax asset

Deferred tax asset comprises temporary differences attributable to the following:

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Provision for annual leave		45,065	49,938
Provision for long service leave		26,985	32,710
Superannuation payable		5,005	10,520
Accrued expenses		12,000	15,500
Unutilised tax losses		2,794,541	3,382,827
		<u>2,883,596</u>	<u>3,491,495</u>
Deferred Tax Asset		720,899	872,874

11. Trade and other receivables

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Trade receivables due from related parties		55,660	971
Other trade receivables		854,109	479,860
		<u>909,769</u>	<u>480,831</u>
Current		909,769	480,831
Non-current		-	-
		<u>909,769</u>	<u>480,831</u>
<u>Days Outstanding</u>			
0-30 days		856,277	384,366
31-60 days		66,839	33,045
61-90 days		5,551	54,493
90+ days		(18,898)	8,927
		<u>909,769</u>	<u>480,831</u>

12. Cash and cash equivalents

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
National Australia Bank - Bank Accounts		409,777	930,169
ANZ - Bank Accounts		28,541	28,539
Cash on hand		192	192
		<u>438,510</u>	<u>958,900</u>

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Notes to the Condensed Interim Financial Statements (continued)

13. Investments

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Term Deposits - National Australia Bank		2,350,801	5,133,011
		2,350,801	5,133,011

14. Other assets

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Project costs		5,000	5,000
PRV project		33,888	-
Accrued income		253,049	110,686
GST refund		39,350	107,136
		331,287	222,822

15. Trade and other payables

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Other trade payables		219,154	143,685
Non-trade payables and accrued expenses		29,048	36,148
		248,202	179,833

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Notes to the Condensed Interim Financial Statements (continued)

16. Related parties

Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits. Key management personnel received total compensation of \$153,159 for the six months ended 31 December 2024.

Other related party transactions

	Directors	Transaction Value 31 Dec 2024	Balance Outstanding 31 Dec 2024
Non-executive		\$	\$
<u>John Leslie Kerr</u>			
Capital Strategies Pty Ltd			
	- Accountancy Fees	15,722	-
<u>David James Watkins</u>			
Rankins Estates Pty Ltd as trustee for Rankins Estate Unit Trust			
	- Water Delivery Service	51,072	45,875
<u>David Andrew Eckert</u>			
P.A., M.J. and D.A. Eckert			
	- Water Delivery Service	16,834	9,785
TOTAL		83,628	55,660

All outstanding balances with these related parties are to be settled in cash within 7 days of the date of issue of the tax invoices. None of the balances are secured.

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Notes to the Condensed Interim Financial Statements (continued)

17. Employee benefits

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Current			
Annual leave		45,065	49,938
Long service leave		25,535	28,182
		70,600	78,120
Non-current			
Long service leave		1,450	4,530
		1,450	4,530
Total		72,050	82,650
Movement			
Opening balance		82,650	61,174
Arising during the period		21,642	48,672
Utilised		(32,242)	(27,195)
Closing balance		72,050	82,650

18. Deferred tax liability

Deferred tax liability comprises temporary differences attributable to:-

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Property, plant and equipment		9,100,493	9,297,701
		9,100,493	9,297,701
Deferred tax liability		2,275,123	2,324,425

19. Commitments

On 7 December 2023, the Company entered into a contract with Y.E.S. Group (SA) Pty Ltd for the construction of a 2.10MW solar farm on land owned at Jervois. The contract price is \$5.18m. As at 31 December 2024, approximately \$5.05m has been paid with the balance of \$0.13m representing retentions held under the contract still to be paid. The facility was completed in mid-December.

20. Subsequent events

The Board has determined that there are no other matters occurring between 1 January 2025 and the date of signing this report that are significant to require disclosure.

The Creeks Pipeline Company Limited

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Directors' declaration

In the opinion of the directors of the Company:

1. the financial statements and notes set out on pages 5 to 15, are in accordance with the Corporations Act 2001 including:
 - a) 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
 - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
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
Chair



D J Watkins
Director

Langhorne Creek, S.A.

5 March 2025

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

To directors of The Creeks Pipeline Company Limited

As auditor for the review of The Creeks Pipeline Company 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 5th of March, 2025

Independent auditor's review report to the members of The Creeks Pipeline Company 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 The Creeks Pipeline Company 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 interim statement of financial position as at 31 December 2024,
- the condensed interim statement of profit or loss and other comprehensive income for the half-year then ended,
- the statement of changes in equity for the half-year then ended,
- the statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of material accounting policies and other explanatory 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.

«WB_Closing»

William Buck

William Buck (SA)
ABN: 38 280 203 274

M.D. King

M.D. King
Partner

Dated this 5th day of March, 2025.