



FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2022

Cambridge Gulf Limited
Corporate directory
30 June 2022

Directors	Mr Lindsay Innes - Chairman Mr Robert Boshammer - Deputy Chairman Mr David Menzel Mrs Gabriele Bloecker Mrs Judith Hughes
CEO	Mr Anthony Chafer
FC / Company secretary	Sarah McKay
Registered office	12 Cotton Tree Avenue Kununurra WA 6743
Principal place of business	12 Cotton Tree Avenue Kununurra WA 6743
Auditor	LBW Chartered Accountants Level 3, 365 Little Collins Street Melbourne VIC 3000
Solicitors	Avon Legal - Lawyers and Public Notary Suite 7, 9 the Avenue Midlands WA 6056
Bankers	Commonwealth Bank of Australia Business and Private Banking Level 1, 67A Smith Street NT 0800
Website	http://www.cg ltd.com.au

Cambridge Gulf Limited
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Cambridge Gulf Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of Cambridge Gulf Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David Menzel - appointed 25 Nov 2010
Mrs Gabriele Bloecker - appointed 27 Nov 2007
Mrs Judith Hughes - appointed 03 Dec 2009
Mr Lindsay Innes - appointed 15 Feb 2007
Mr Robert Boshammer - appointed 15 Feb 2007

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- The management of Wyndham port and stevedoring services;
- The importation and wholesaling of bulk fuel;
- The delivery of bulk fuel to mine sites in the East Kimberley region;
- The importation and distribution of diesel on the Gove Peninsula, Northern Territory facilitated through a supply contract with Rio Tinto. This contract is a 50/50 joint venture with Rirratjingu Aboriginal Corporation (formerly Bunuwal Investments) who represent the Rirratjingu traditional owners of the area;
- The delivery of fuel to Rio Tinto's mine site at Amrun and Weipa, Queensland. This contract is a 50/50 joint venture with Northern Haulage & Diesel Services Pty Ltd, a traditional owner business;
- A fuel service station in Kununurra, including car and dog wash facilities and high flow bowser at the Wyndham port precinct; and
- Owning, operating and renovation of The Cambridge, Kununurra.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$3,044,000 (30 June 2021: \$2,690,000).

The consolidated entity increased its comprehensive income results by 13.2% compared to 2021. The increase is due to all subsidiary's doing well. The increase has been diminished through the operational costs of managing CGL Accommodation Pty Ltd whilst renovating.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Cambridge Gulf Limited
Directors' report
30 June 2022**

Information on directors

Name: Lindsay Innes
Title: Non-Executive Director - Chairman
Age: 68
Qualifications: GAICD
Experience and expertise: Lindsay joined the Board of ORDC in 2001 and became Chairman in September 2003. He has been a grower in the Ord since the 1980's and was a founding Director of Ord Irrigation Co-operative (OIC) in 1996 and served on this Board until 2009. Lindsay was also a founding Director of the Ord Irrigation Asset Mutual Co-operative in 2005 and remains as Chairman of this Board. Lindsay has also served as a Director on the Perth Market Authority (2000-2002). Lindsay is Chairman of Rirratjingu Fuel Pty Ltd (formerly Bunuwal Fuel Pty Ltd) 2012 and he was appointed Director of Weipa Bulk Fuels Pty in November 2017.

Name: David Menzel
Title: Non-Executive Director
Age: 58
Qualifications: Dip.Sci and GAICD
Experience and expertise: David has been a Director of the Ord Irrigation Co-operative since 2004 and has been Vice Chairman since 2006. David is the Chairman of the Community Reference Group which is the East Kimberley stakeholder body responsible for the provision of local community input into the expansion of the Ord River Irrigation Area and upgrade of the associated community infrastructure. David was elected to the Shire of Wyndham East Kimberley council on 22 October 2017 and appointed Shire President.

Name: Dr Gabriele Bloecker
Title: Non-Executive Director
Age: 65
Qualifications: Dr.sc.Agr and MAICD
Experience and expertise: After completing a Doctor's degree in Agriculture in Germany in 1983, Gabi Bloecker immigrated to Kununurra in the Ord River Irrigation Area. Together with her husband, she developed Bothkamp Australia, a group of companies which is involved in farming and real estate. Gabi Bloecker has over 30 years of successful experience in the areas of commercial and land acquisitions, development, logistics, marketing and distribution. Gabi was the Founding Director of East Kimberley Co-Operative in 2006 and Chairperson until retirement in 2015.

Name: Judith Hughes
Title: Non-Executive Director
Age: 75
Qualifications: GAICD
Experience and expertise: Judy has been a School Business Manager for the past 24 years, She is also a Civil Marriage Celebrant and Bed and Breakfast Owner/Operator. She has lived in Kununurra since 1970.

Cambridge Gulf Limited
Directors' report
30 June 2022

Name: Robert Boshammer
Title: Non-Executive Director
Age: 64
Qualifications: B.Ag (Hons) and GAICD
Experience and expertise: Robert joined the Board of ORDC in 2002 and became Deputy Chairman in 2004. He holds an honours degree in Agriculture and has been a grower in the Ord since the 1980's. Robert is a Director of the Kimberley Development Commission and Ord Irrigation Mutual Co-operative, and has previously served on the Board of the Rural Industries Research and Development Corporation.

Company secretary

Sarah McKay was appointed Financial Controller 1st July 2019 and Company Secretary on the 15th August 2019.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Lindsay Innes	11	11
David Menzel	9	11
Gabrielle Bloecker	9	11
Judith Hughes	10	11
Robert Boshammer	9	11

Held: represents the number of meetings held during the time the director held office.

Details of remuneration

Amounts of remuneration (disclosed in Note 31)

The key management personnel of the consolidated entity consisted of the directors of Cambridge Gulf Limited and the following persons:

- Anthony Chafer - CEO
- Sarah McKay - FC and Company Secretary (Appointed: 15th August 2019)
- Mat Dear - COO (Appointed: 18th March 2019)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Balance at the end of the year
<i>Ordinary shares</i>			
Lindsay Innes	201,399	-	201,399
Robert Boshammer	194,828	-	194,828
Gabriele Bloecker	338,348	-	338,348
Judith Hughes	181,859	-	181,859
David Menzel	24,849	-	24,849
Anthony Chafer	7,685	-	7,685
	<u>948,968</u>	<u>-</u>	<u>948,968</u>

Cambridge Gulf Limited
Directors' report
30 June 2022

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

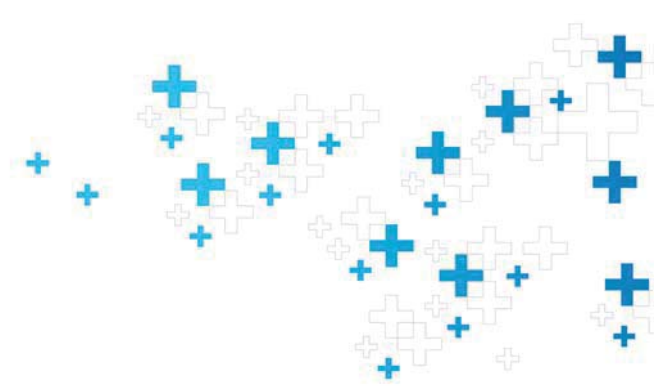
This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Lindsay Innes
Chairman

24 October 2022
Kununurra



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CAMBRIDGE GULF LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

LBW Business & Wealth Advisors

SRIPATHY SARMA
PRINCIPAL

Dated 24th of October 2022



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Cambridge Gulf Limited
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General information

The financial statements cover Cambridge Gulf Limited as a consolidated entity consisting of Cambridge Gulf Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Cambridge Gulf Limited's functional and presentation currency.

Cambridge Gulf Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

12 Cotton Tree Avenue
Kununurra
WA 6743

Principal place of business

12 Cotton Tree Avenue
Kununurra
WA 6743

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 October 2022. The directors have the power to amend and reissue the financial statements.

Cambridge Gulf Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 \$'000	2021 \$'000
Revenue	3	169,204	104,192
Share of profits of joint ventures accounted for using the equity method	4	1,132	547
Other income	5	221	(145)
Interest Income		-	46
Total revenue		<u>170,557</u>	<u>104,640</u>
Expenses			
Raw materials and consumables used		(156,266)	(92,923)
Employee benefits expense		(4,292)	(4,304)
Depreciation and amortisation expense		(1,306)	(748)
Other expenses		(4,755)	(2,957)
Total expenses		<u>(166,619)</u>	<u>(100,932)</u>
Profit before income tax expense		3,938	3,708
Income tax expense	6	<u>(894)</u>	<u>(1,018)</u>
Profit after income tax expense for the year attributable to the owners of Cambridge Gulf Limited	27	3,044	2,690
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Cambridge Gulf Limited		<u><u>3,044</u></u>	<u><u>2,690</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cambridge Gulf Limited
Statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	7	9,922	3,539
Trade and other receivables	8	15,420	9,140
Inventories	9	8,479	4,076
Other	10	577	959
Total current assets		<u>34,398</u>	<u>17,714</u>
Non-current assets			
Receivables	11	920	1,137
Investments accounted for using the equity method	12	1,128	620
Property, plant and equipment	13	24,421	16,424
Right-of-use assets	14	29	43
Total non-current assets		<u>26,498</u>	<u>18,224</u>
Total assets		<u>60,896</u>	<u>35,938</u>
Liabilities			
Current liabilities			
Trade and other payables	15	19,630	5,936
Borrowings	16	810	-
Lease liabilities	17	16	27
Income tax	6	(217)	(539)
Employee benefits	18	928	574
Provisions	19	298	409
Other	20	8,750	3,621
Total current liabilities		<u>30,215</u>	<u>10,028</u>
Non-current liabilities			
Borrowings	21	2,999	-
Lease liabilities	22	17	18
Deferred tax		836	481
Employee benefits	23	156	153
Unclaimed money - dividend	24	2	2
Total non-current liabilities		<u>4,010</u>	<u>654</u>
Total liabilities		<u>34,225</u>	<u>10,682</u>
Net assets		<u>26,671</u>	<u>25,256</u>
Equity			
Issued capital	25	3,872	3,872
Reserves	26	4,841	4,841
Retained profits	27	17,958	16,543
Total equity		<u>26,671</u>	<u>25,256</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Cambridge Gulf Limited
Statement of financial position
As at 30 June 2022



Lindsay Innes
Chairman

24 October 2022
Kununurra

The above statement of financial position should be read in conjunction with the accompanying notes

Cambridge Gulf Limited
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued Capital \$'000	Reserves General \$'000	Reserves Revaluation Surplus \$'000	Retained Profits \$'000	Total equity \$'000
Balance at 1 July 2020	3,872	1,837	3,005	15,403	24,117
Profit after income tax expense for the year	-	-	-	2,690	2,690
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,690	2,690
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 28)	-	-	-	(1,551)	(1,551)
Balance at 30 June 2021	<u>3,872</u>	<u>1,837</u>	<u>3,005</u>	<u>16,542</u>	<u>25,256</u>

Consolidated	Issued Capital \$'000	Reserves General \$'000	Reserves Revaluation Surplus \$'000	Retained Profits \$'000	Total equity \$'000
Balance at 1 July 2021	3,872	1,837	3,005	16,542	25,256
Profit after income tax expense for the year	-	-	-	3,044	3,044
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,044	3,044
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 28)	-	-	-	(1,629)	(1,629)
Balance at 30 June 2022	<u>3,872</u>	<u>1,837</u>	<u>3,005</u>	<u>17,957</u>	<u>26,671</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cambridge Gulf Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		163,336	101,033
Payments to suppliers and employees (inclusive of GST)		<u>(152,138)</u>	<u>(96,548)</u>
		11,198	4,485
Joint venture partnership distributions received		1,132	547
Interest received		-	46
Other revenue		1,894	1,247
Income taxes paid		<u>(217)</u>	<u>(145)</u>
Net cash from operating activities	38	<u>14,007</u>	<u>6,180</u>
Cash flows from investing activities			
Payments for property, plant and equipment	13	(9,149)	(5,977)
Loans from/(to) related and other parties		-	(11)
Proceeds from disposal of property, plant and equipment		<u>12</u>	<u>(37)</u>
Net cash used in investing activities		<u>(9,137)</u>	<u>(6,025)</u>
Cash flows from financing activities			
Proceeds from borrowings		3,809	-
Dividends paid	28	(1,629)	(1,551)
Repayment of borrowings		<u>(667)</u>	<u>(13)</u>
Net cash from/(used in) financing activities		<u>1,513</u>	<u>(1,564)</u>
Net increase/(decrease) in cash and cash equivalents		6,383	(1,409)
Cash and cash equivalents at the beginning of the financial year		<u>3,539</u>	<u>4,948</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>9,922</u></u>	<u><u>3,539</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Cambridge Gulf Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cambridge Gulf Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Cambridge Gulf Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 1. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Cambridge Gulf Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 1. Significant accounting policies (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Cambridge Gulf Limited
Notes to the financial statements
30 June 2022

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The entity and its wholly-owned Australian subsidiaries have formed an income tax consolidation group under the tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. The taxes are measured using the "stand alone taxpayer" approach to allocation current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are transferred to the head entity. The group notified the Australian Tax Office that it had formed an income tax consolidation group to apply from 01 April 2013. The tax consolidated group has entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Revenue

	Consolidated	
	2022	2021
	\$'000	\$'000
<i>Revenue from contracts with customers</i>		
Sales	167,519	102,837
<i>Other revenue</i>		
Management fees	208	208
Rent	375	127
Royalty	404	-
Other revenue	698	1,020
	<u>1,685</u>	<u>1,355</u>
Revenue	<u><u>169,204</u></u>	<u><u>104,192</u></u>

Accounting policy for revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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Note 3. Revenue (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Rendering of services are recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as revenue when it is received in the saving bank account.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 4. Share of profits of joint ventures accounted for using the equity method

	Consolidated	
	2022	2021
	\$'000	\$'000
Share of profit - joint ventures	1,132	547

Note 5. Other income

	Consolidated	
	2022	2021
	\$'000	\$'000
Net foreign exchange gain/(loss)	150	(108)
Net gain/(loss) on disposal of property, plant and equipment	12	(37)
Insurance recoveries	59	-
Other income	221	(145)

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Note 6. Income tax

	Consolidated	
	2022	2021
	\$'000	\$'000
<i>Income tax expense</i>		
Current tax	539	300
Deferred tax - origination and reversal of temporary differences	355	718
Aggregate income tax expense	<u>894</u>	<u>1,018</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	3,938	3,708
Tax at the statutory tax rate of 30%	1,181	1,112
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation of property, plant and equipment	392	224
Closing provisions	252	205
Other non-allowable items	78	98
	1,903	1,639
S40-880 deductions	-	(2)
Deductible depreciation and amortisation	(673)	(913)
Provisions opening	(207)	(236)
Non-assessable investment income	(485)	(188)
Changes in recognised temp differences	356	718
Income tax expense	<u>894</u>	<u>1,018</u>
	Consolidated	
	2022	2021
	\$'000	\$'000
Provision for income tax	<u>(217)</u>	<u>(539)</u>

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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Note 6. Income tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2022	2021
	\$'000	\$'000
Cash at bank	9,922	3,539

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Current assets - trade and other receivables

	Consolidated	
	2022	2021
	\$'000	\$'000
Trade receivables	13,834	8,384
Less: Allowance for expected credit losses	(7)	(7)
	13,827	8,377
BAS receivable	1,593	763
	15,420	9,140

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$6,838 in profit or loss in respect of impairment of receivables for the year ended 30 June 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Over 6 months overdue	-	4,741

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Note 8. Current assets - trade and other receivables (continued)

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Opening balance	7	2
Additional provisions recognised	-	5
	<u>7</u>	<u>5</u>
Closing balance	<u>7</u>	<u>7</u>

Accounting policy for trade and other receivables

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at cost, less any provision for impairment.

Note 9. Current assets - inventories

	Consolidated	
	2022	2021
	\$'000	\$'000
Stock on hand	8,479	4,076
	<u>8,479</u>	<u>4,076</u>

Accounting policy for inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 10. Current assets - other

	Consolidated	
	2022	2021
	\$'000	\$'000
Accrued revenue	94	681
Prepayments	473	78
Other deposits	10	200
	<u>577</u>	<u>959</u>
	<u>577</u>	<u>959</u>

Cambridge Gulf Limited
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Note 11. Non-current assets - Receivables

	Consolidated	
	2022	2021
	\$'000	\$'000
Loan receivable from Northern Haulage Diesel Services Pty Ltd	-	507
Cash Call receivable from Weipa Bulk Fuels Pty Ltd	-	468
Loan receivable from Rirratjingu Fuels Pty Ltd	-	162
Loan receivable from Knala Services Pty Ltd	575	-
Loan SNM Tank Farm Upgrade	345	-
	920	1,137
	920	1,137

Note 12. Non-current assets - investments accounted for using the equity method

	Consolidated	
	2022	2021
	\$'000	\$'000
Investment in joint venture - Weipa Bulk Fuels Pty Ltd	720	374
Investment in joint venture - Rirratjingu Fuel Pty Ltd	408	246
	1,128	620
	1,128	620

Reconciliation

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

Opening carrying amount	620	402
Profit after income tax	1,132	548
Dividends paid	(624)	(330)
	1,128	620
Closing carrying amount	1,128	620

Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022	2021
		%	%
Rirratjingu Fuel Pty Ltd	Gove - Northern Territory / Australia	50.00%	50.00%
Weipa Bulk Fuels Pty Ltd	Weipa - Queensland / Australia	50.00%	50.00%

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Note 12. Non-current assets - investments accounted for using the equity method (continued)

Summarised financial information

	Rirratjingu Fuel Pty Ltd		Weipa Bulk Fuels Pty Ltd	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Summarised statement of financial position</i>				
Cash and cash equivalents	552	1,275	1,205	1,239
Other current assets	-	-	-	3
Current assets	9,369	4,682	409	559
Non-current assets	489	506	34	81
Total assets	10,410	6,463	1,648	1,882
Current liabilities	9,470	5,521	337	1,271
Non-current liabilities	-	324	346	-
Total liabilities	9,470	5,845	683	1,271
Net assets	940	618	965	611
<i>Summarised statement of profit or loss and other comprehensive income</i>				
Revenue	57,137	30,736	4,528	3,328
Interest revenue	-	2	-	1
Other revenue	1	(2)	-	-
Depreciation and amortisation expense	(35)	-	(3)	(106)
Finance costs	(2)	(71)	-	-
Expenses	(55,784)	(29,746)	(2,933)	(2,587)
Profit before income tax	1,317	919	1,592	636
Income tax expense	(395)	(276)	(253)	(191)
Profit after income tax	922	643	1,339	445
Other comprehensive income	-	-	-	-
Total comprehensive income	922	643	1,339	445

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Note 13. Non-current assets - property, plant and equipment

	Consolidated	
	2022	2021
	\$'000	\$'000
Land and buildings - at fair value	15,851	11,053
Less: Accumulated depreciation	<u>(1,788)</u>	<u>(1,463)</u>
	<u>14,063</u>	<u>9,590</u>
Plant and equipment - at cost	12,179	10,603
Less: Accumulated depreciation	<u>(6,026)</u>	<u>(5,423)</u>
	<u>6,153</u>	<u>5,180</u>
Motor vehicles - at cost	5,496	2,821
Less: Accumulated depreciation	<u>(1,612)</u>	<u>(1,421)</u>
	<u>3,884</u>	<u>1,400</u>
Computer equipment - at cost	476	414
Less: Accumulated depreciation	<u>(211)</u>	<u>(205)</u>
	<u>265</u>	<u>209</u>
Office equipment - at cost	144	104
Less: Accumulated depreciation	<u>(88)</u>	<u>(59)</u>
	<u>56</u>	<u>45</u>
	<u><u>24,421</u></u>	<u><u>16,424</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land & Building \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Computer Equipment \$'000	Office Equipment \$'000	Total \$'000
Balance at 1 July 2020	6,769	2,553	1,757	208	24	11,311
Additions	3,041	2,959	(77)	27	27	5,977
Disposals	-	-	(131)	-	-	(131)
Depreciation expense	<u>(220)</u>	<u>(333)</u>	<u>(149)</u>	<u>(26)</u>	<u>(5)</u>	<u>(733)</u>
Balance at 30 June 2021	9,590	5,179	1,400	209	46	16,424
Additions	4,798	1,576	2,674	62	39	9,149
Depreciation expense	<u>(325)</u>	<u>(602)</u>	<u>(190)</u>	<u>(6)</u>	<u>(29)</u>	<u>(1,152)</u>
Balance at 30 June 2022	<u><u>14,063</u></u>	<u><u>6,153</u></u>	<u><u>3,884</u></u>	<u><u>265</u></u>	<u><u>56</u></u>	<u><u>24,421</u></u>

Note 13. Non-current assets - property, plant and equipment (continued)

Accounting policy for property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Land and buildings	0-50 years
Plant and equipment	3-25 years
Motor vehicles	3-10 years
Computer equipment	2-5 years
Office equipment	2-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 14. Non-current assets - right-of-use assets

	Consolidated	
	2022	2021
	\$'000	\$'000
Land and buildings - right-of-use	71	71
Less: Accumulated depreciation	(42)	(28)
	29	43
	29	43

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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Note 14. Non-current assets - right-of-use assets (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2022	2021
	\$'000	\$'000
Trade payables	8,026	4,643
Trade finance	9,700	-
BAS payable	1,903	1,292
Other payables	1	1
	<u>19,630</u>	<u>5,936</u>

Refer to note 29 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Current liabilities - borrowings

	Consolidated	
	2022	2021
	\$'000	\$'000
Bank loans	<u>810</u>	<u>-</u>

Refer to note 29 for further information on financial instruments.

Note 17. Current liabilities - lease liabilities

	Consolidated	
	2022	2021
	\$'000	\$'000
Lease liability	<u>16</u>	<u>27</u>

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Note 18. Current liabilities - employee benefits

	Consolidated	
	2022	2021
	\$'000	\$'000
Leave provision	564	444
Other employee benefits	364	130
	928	574
	928	574

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 19. Current liabilities - provisions

	Consolidated	
	2022	2021
	\$'000	\$'000
Audit fees	48	48
Excise duty	250	361
	298	409
	298	409

Accounting policy for provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 20. Current liabilities - other

	Consolidated	
	2022	2021
	\$'000	\$'000
Accrued expenses	7,457	3,621
Revenue received in advance	1,293	-
	8,750	3,621
	8,750	3,621

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Note 21. Non-current liabilities - borrowings

	Consolidated	
	2022	2021
	\$'000	\$'000
Bank loans	2,999	-

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Bank loans	3,809	-

Assets pledged as security

The bank overdraft and loans are secured by first mortgages over the consolidated entity's land and buildings.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 22. Non-current liabilities - lease liabilities

	Consolidated	
	2022	2021
	\$'000	\$'000
Lease liability	17	18

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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Note 23. Non-current liabilities - employee benefits

	Consolidated	
	2022	2021
	\$'000	\$'000
Long service leave	156	153

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 24. Non-current liabilities - Unclaimed money - dividend

	Consolidated	
	2022	2021
	\$'000	\$'000
Dividend - unclaimed money	2	2

Note 25. Equity - issued capital

	Consolidated			
	2022	2021	2022	2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	1,962,814	1,962,814	3,872	3,872

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the date of the Annual Report.

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Note 25. Equity - issued capital (continued)

Accounting policy for issued capital

Ordinary shares are classified as equity.

Note 26. Equity - reserves

	Consolidated	
	2022	2021
	\$'000	\$'000
Revaluation surplus reserve	3,004	3,004
General reserve	1,837	1,837
	<u>4,841</u>	<u>4,841</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Note 27. Equity - retained profits

	Consolidated	
	2022	2021
	\$'000	\$'000
Retained profits at the beginning of the financial year	16,543	15,404
Profit after income tax expense for the year	3,044	2,690
Dividends paid (note 28)	(1,629)	(1,551)
	<u>17,958</u>	<u>16,543</u>

Note 28. Equity - dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Final dividend for the year ended 30 June (2021: October) of 41 cents.	805	765
Interim dividend for the year ended 30 June (2022: March) of 42 cents.	824	786
	<u>1,629</u>	<u>1,551</u>

Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 29. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior executives under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the consolidated entity has entered into short term forward foreign exchange contracts with a 3 weeks delivery. These contracts are hedging forecasted cash out flows for the payment of fuel cargoes. Management has a risk management policy.

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell Australian dollars		Average exchange rates	
	2022	2021	2022	2021
	\$'000	\$'000		
Buy US dollars				
Maturity:				
0 - 3 months	855	1,116	0.6988	0.7615

Price risk

The consolidated entity is not exposed to any significant price risk.

Note 29. Financial instruments (continued)

Interest rate risk

The consolidated entity entered into an Uncommitted Trade Finance Facility with the Commonwealth Bank of Australia for a value of AUD 20 million. The facility has no set term and is maintained at the absolute discretion of the bank and utilisation can be withdrawn/withheld at anytime.

Repayment arrangements will be made in the currency of the trade advance or the Australian dollar equivalent at maturity. The payment must be made by the maturity date specified in the drawdown notice in accordance with the transaction tenor for each trade advance. The transaction tenor is a period between 7 to 120 days as set out in the relevant drawdown accepted by the bank.

Tested half yearly on consolidated financial accounts:

- Interest cover ratio (ICR) is to be less than 3.5 times at all time (ICR = earnings before interest and tax / actual interest cost),
- Capital adequacy ratio (CAR) is to be no less than 40% at all times (CAR = tangible net worth / total tangible assets) and
- Net Tangible Current Asset Ratio (NTCAR) to be less than 1.5 times at all times (NTCAR = gross tangible current assets - (current liabilities - current bank debt) / current bank debt).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Cambridge Gulf Limited
Notes to the financial statements
30 June 2022

Note 30. Fair value measurement

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of investment properties is fair value. The investment properties are revalued every 5 years based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in December 2013 for Lot 1-2 Barytes Road Wyndham WA and June 2014 for 31 Great Northern Highway Wyndham WA, based on independent assessments by a member of the Australian Property Institute, Opteon, having experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition. Opteon is an independent valuer not related to the group. The group revalued the assets in 2018, by Opteon.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 31. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022	2021
	\$'000	\$'000
Short-term employee benefits	980	784
Long-term benefits	135	76
	<u>1,115</u>	<u>860</u>

Cambridge Gulf Limited
Notes to the financial statements
30 June 2022

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by LBW Chartered Accountants, the auditor of the company:

	Consolidated	
	2022	2021
	\$'000	\$'000
<i>Audit services - LBW Chartered Accountants.</i>		
Audit or review of the financial statements	48	48

Note 33. Related party transactions

Parent entity

Cambridge Gulf Limited is the parent entity.

Joint ventures

Interests in joint ventures are set out in note 12.

Key management personnel

Disclosures relating to key management personnel are set out in note 31.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2022	2021
	\$'000	\$'000
Sale of goods and services:		
Sale of goods to joint venture: Rirratjingu Fuel Pty Ltd	48,656	24,746
Sale of services to joint venture: Weipa Bulk Fuels Pty Ltd	401	161
Other income:		
Dividends received from joint venture	624	330

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2022	2021
	\$'000	\$'000
Current receivables:		
Rirratjingu Fuel Pty Ltd	6,555	3,211
Weipa Bulk Fuels Pty Ltd	-	11

Cambridge Gulf Limited
Notes to the financial statements
30 June 2022

Note 33. Related party transactions (continued)

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2022	2021
	\$'000	\$'000
Non-current receivables:		
Loan to Northern Haulage & Diesel Services Pty Ltd	-	507
Loan to Weipa Bulk Fuels Pty Ltd	-	467
Loan to Rirratjingu Fuel Pty Ltd	-	162
Loan to Knala Services	574	-

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 34. Bank guarantee

Cambridge Gulf Limited is required to hold a bank guarantee of AUD 200,000 in favour of the Kimberley Port Authority, Western Australia in relation to the operating agreement at the Wyndham Port.

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$'000	\$'000
Profit after income tax	1,390	1,384
Total comprehensive income	1,390	1,384

Cambridge Gulf Limited
Notes to the financial statements
30 June 2022

Note 35. Parent entity information (continued)

Statement of financial position

	Parent	
	2022	2021
	\$'000	\$'000
Total current assets	826	3,881
Total assets	15,995	15,774
Total current liabilities	5,012	1,650
Total liabilities	14,233	8,502
Equity		
Issued capital	3,869	3,870
Revaluation surplus reserve	3,003	3,003
General reserve	1,836	1,836
Accumulated losses	(6,946)	(1,437)
Total equity	<u>1,762</u>	<u>7,272</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 36. Deed of cross guarantee

The following entities are party to a deed of cross guarantee, originally signed 6 March 2014, CGL Accommodation Pty Ltd was included 21 October 2021, under which each company guarantees the debts of the others:

Cambridge Gulf Limited
 CGL Fuel Pty Ltd - 100% owned by Cambridge Gulf Limited
 CGL Logistics Pty Ltd - 100% owned by Cambridge Gulf Limited
 CGL Accommodation Pty Ltd - 100% owned by Cambridge Gulf Limited

Cambridge Gulf Limited
Notes to the financial statements
30 June 2022

Note 36. Deed of cross guarantee (continued)

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Cambridge Gulf Limited, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and statement of financial position are substantially the same as the consolidated entity and therefore have not been separately disclosed.

Note 37. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 38. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2022	2021
	\$'000	\$'000
Profit after income tax expense for the year	3,044	2,690
Adjustments for:		
Net loss/(gain) on disposal of non-current assets	(12)	37
Change in operating assets and liabilities:		
Increase in trade and other receivables	(6,063)	(1,512)
Increase in inventories	(4,403)	(549)
Decrease in deferred tax assets	-	718
Decrease/(increase) in accrued revenue	587	(292)
Decrease/(increase) in prepayments	(395)	9
Decrease/(increase) in other operating assets	(8,301)	460
Increase in trade and other payables	23,498	2,977
Increase in provision for income tax	322	155
Increase in deferred tax liabilities	355	-
Increase/(decrease) in employee benefits	357	(183)
Increase/(decrease) in other provisions	(111)	244
Increase in other operating liabilities	5,129	1,426
Net cash from operating activities	<u>14,007</u>	<u>6,180</u>

Cambridge Gulf Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 36 to the financial statements.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Lindsay Innes
Chairman

24 October 2022
Kununurra



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CAMBRIDGE GULF LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cambridge Gulf Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory notes and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cambridge Gulf Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Report

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 the 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 of this financial report.

As part of an audit in accordance with the 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group's ability to continue 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 such 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LBW Business & Wealth Advisors

SRIPATHY SARMA

PRINCIPAL

Dated 24th of October 2022



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