COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074

Notice to Shareholders

Notice is hereby given that the Annual General Meeting of Shareholders will be held at the C W A Cottage, Cobargo, on Tuesday the 15th December 2026 at 7.30 pm.

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The purpose of the meeting is to:

a) Confirm the Minutes of the preceding Annual General Meeting,
b) Receive the Chairperson's and Directors' Reports, Financial Statements for the 12 months ended 30 June 2026,
c) Confirm the election of Directors and determine their remuneration.
Mr John Walters retired by rotation, were eligible for re-election and offered himself accordingly.
d) Transact any other business that may be brought forward in conformity with the rules of the Cobargo Co-operative Society Limited.

By order of the Board of Directors,

Daniel Williamson
Secretary Manager
Cobargo Co-operative Society Ltd
52-54 Princes Highway, Cobargo
NSW 2550
(02) 6493 6401

Directors: June Tarlinton (Chairperson), Graham Parr, John Walters, Peter Muirhead and Alex Wilms.

Secretary Manager: Daniel Williamson.
Bankers: Horizon Bank

Directors' Declaration

The Directors of the Co-operative declare that the financial statements and notes set out in this report:

a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and the Co-operatives (Adoption of National Law) Act 2012 (NSW), Co-operatives National Law (CNL) and Co-operatives National Regulations.
b) give a true and fair view of the Co-operative's financial position as at 30 June 2026 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the Directors' opinion:

a) the financial statements and notes are in accordance with the Co-operatives (Adoption of National Laws) Act 2012 (NSW), Co-operatives National Law (CNL) and Co-operatives National Regulations.
b) there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

J. Tarlinton Chairperson P Muirhead Director
Dated this 22nd day of October 2026

CHAIRPERSON'S REPORT

On behalf of the board and staff of the Cobargo Co-operative society I'm pleased to present to you the Annual report for the year 2025/2026.

Total sales for the year were $3,191,372 which is down on last year with a gross trading profit of $784,240. Our total net loss was $23,617.

As we come to close on another year of trading, the year has been volatile for many different reasons throughout the world ultimately impacted our business here in Cobargo. Trade has been strong during some months, whilst other months it has been soft. This year we moved to a non-distributing co-operative and after going through the processes of co-ordinating a vote from shareholders with the result being an affirmative yes was resolved.

We are still in the process of building a storage shed with the proposal hopefully getting underway in the not-too-distant future. Another dry spell is looming and the storage shed will be a valuable asset to offset the consistent availability of much sought after fodder enabling the business to meet the demands of the future. The street rebuild is almost complete which will see the business hub be vacated and the Co-op will have it in use.

The Cobargo Co-operative is celebrating 125 years on the 27th November 2026 on the exact day in 1901 when the incorporation certificate was signed. A day of celebration is planned with some historic touches to pay homage to the past. The CWA has generously donated the birthday cake to the co-operative as a gift which is truly heartfelt. A jersey cow, a horse and cart and an historical truck which resembles a much-used form of delivery truck are some of the features of the day. A historical banner will also be unveiled on the day to reflect the growth of the business from 1901 to current day.

At this point in time our much-loved manager Dan Williamson has tendered his resignation. Dan has been our manager /secretary for over 6 years and is planning the next chapter in his life. A huge thank you is extended to Dan for all his years of effort and hard work as we bid him Fairwell. We will welcome our new manager to the business in a reasonable timeframe. We are delighted to have Rodney Gannon back on the team in fine fettle of health. I would like to take this opportunity to thank the community for your incredible support as always.

I cannot thank our brilliant staff enough, your commitment and hard work do not go unnoticed, I appreciate your commitment. Finally, to the hardworking board members I thank you from the bottom of my heart as you meet all the challenges head on with a strength of character second to none.

June Tarlinton Dated this 22nd day of October 2026

Directors' Report

The Directors present their report together with the Financial Statements of the Society for the year ended 30 June 2026.

Directors
The names of directors in office at any time during or since the end of the year are: June Tarlinton, Graham Parr, John Walters, Peter Muirhead and Alex Wilms. Directors have been in office since the start of the financial year to the date of this report.

Secretary
Mr Daniel Williamson is our current secretary. Mr Daniel Williamson was appointed as secretary on the 9th October 2020.

Principal Activities
The principal activities of the Society during the course of the financial year were unchanged and remain as a Retail Hardware and Produce Store.

Operating Results
The loss of the Society for the financial year ended 30 June 2026 was $23,617 after provision of deferred tax benefit of ($1,798).

Review of Operations
Please refer to the Chairperson's Report which precedes this report, and which provides a detailed review of operations for the year.

Significant Changes in State of Affairs
Nil

Matters Subsequent to the End of the Financial Year
Nil

Environmental Issues
The Co-operative's operations are regulated by a variety of environmental regulations under a law of the Commonwealth or of a State or Territory.
To the best of our knowledge there have been no breaches as at the date of this report.

Directors Emoluments
The emoluments of each Director consist of directors' fees as determined by the members at the Annual General Meeting.

All directors received emoluments in the band of $0 - $9,999.

Information on Directors

Directors	Qualifications	No. Years as Director	Special Responsibilities
J. Tarlinton	Farmer	25	Chairperson
G. Parr	Horticultural	23	Director
J. Walters	Retired	9	Director
P. Muirhead	Rural Financial Counsellor	5	Director
A. Wilms	Business Owner	5	Director

Meetings of Directors

During the Financial Year, 7 meetings of Directors were held (including Annual General Meeting). Attendances were:

Meetings Attended by Directors

	No. eligible	No. attended
J. Tarlinton	7	6
G. Parr	7	7
J Walters	7	7
P. Muirhead	7	7
A. Wilms	7	5

Indemnifying Officers

During or since the end of the financial year the Co-operative has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows: The Co-operative has paid premiums to insure directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of directors and officers of the Co-operative, other than conduct involving a wilful breach of duty in relation to the Co-operative. The amount of the premium was $1,831.

Proceedings on Behalf of the Entity
No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.
The entity was not a party to any such proceedings during the year.

Directors Benefits
Since the previous year no Director of the Society has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, for the fixed salary of a full-time employee of the Co-operative of a related corporation) by reason of a contract made by the Society or a related corporation with the Director or with a firm of which the Director is a member, or with a Co-operative in which the Director has a substantial financial interest.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

J. Tarlinton Chairperson P Muirhead Director

Dated this 22nd day of October 2026

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2026

2025 $		Note	2026 $
3,217,238	**Revenue**	2	3,191,372
109,257	Other Revenue		102,165
-2,448,158	Cost of Goods Sold		-2,407,132
-600,809	Employee Benefits Expense		-667,404
-19,988	Depreciation		-20,800
-222,477	Other Expenses		-223,584
-28	Finance Costs		-32
35,035	**Profit/(Loss) Before Income Tax**		-25,415
-11,738	Income Tax Expense		1,798
23,297	**Profit/(Loss) for the Year**		-23,617
0	Other Comprehensive Income		0
23,297	**Profit/(Loss) attributable to members of the Co-op**		**-23,617**

Statement of Financial Position as at 30 June 2026

2025 $	Current Assets	Note	2026 $
105,462	Cash	3	136,522
107,593	Receivable	4	100,064
593,988	Inventories	5	577,936
43,717	Other – prepayments	6	45,536
850,760	Total Current Assets		860,058
	Non-Current Assets		
1,450,810	Property, Plant and Equipment	7	1,428,650
2	Membership Shares Horizon Credit Union		2
29,765	Deferred Tax Asset	19	31,563
1,480,577	Total Non-Current Assets		1,460,215
2,331,337	**Total Assets**		**2,320,273**
	Current Liabilities		
222,590	Payables	8	207,327
337	Interest Bearing Liabilities	9	366
-20,713	Current Tax Liabilities	10	-2,372
116,095	Provisions	11	126,253
318,309	Total Current Liabilities		331,574
	Non-Current Liabilities		
0	Interest Bearing Liabilities	12	0
318,309	**Total Liabilities Excluding Members Shares**		**331,574**
2,013,028	**Net Assets Excluding Members Shares**		**1,988,699**
-50,460	Members Shares classified as a liability	13	-49,340
1,962,568	**Net Assets after Members Shares classified as a liability**		**1,939,359**

Statement of Changes in Equity as at 30 June 2026

2025 $		Note	2026 $
1,693,699	Retained profits at the beginning of the financial year		1,717,007
35,035	**Profit from ordinary activities before Income Tax**	**2**	**-25,415**
-9,194	Income Tax Expense relating to ordinary activities	18	0
25,841	**Profit from ordinary activities after Income Tax**		**-25,415**
-2,544	Deferred Income Tax recognised	18	1,798
11	Prior Year Adjustment		408
1,717,007	**Retained profits at the end of the financial year**		**1,693,798**
2,013,028	Total Members funds before members funds classified as a liability		1,988,699
-50,460	Less members share classified as a liability		-49,340
-245,561	Reserves	14	-245,561
1,717,007	**Total Members funds excluding members share**		**1,693,798**

Statement of Cash Flows 2026

2025 $		Note	2026 $
	Cash Flows from Operating Activities	**Note**	
3,274,048	Receipts from customers		3,235,629
-3,329,116	Payments to suppliers and employees		-3,265,984
61,606	Rent received		59,561
697	Interest Received		2,908
0	Finance Costs		0
-35,399	Income Tax (Paid) / Refunded		-1,295
-28,164	Net cash provided (used) in operating activities	17	30,819
	Cash Flow from Investing Activities		
0	Proceeds for Property Plant & Equipment		0
-10,365	Payments for Property Plant & Equipment		1,361
-10,365	Net cash used in Investing Activities		1,361
	Cash Flow from Financing Activities		
0	Proceeds from Borrowings		0
0	Repayment of Borrowings		0
0	Proceeds from issue of shares		0
-2,838	Share buy back payment		-1,120
-2,838	Net cash provided (used) in financial activities		-1,120
-41,367	Net Increase (Decrease) in cash held		31,060
146,829	Cash at the beginning of the financial year		105,462
105,462	**Cash at the end of the financial year**	17	136,522

Notes to and forming part of the Financial Statements

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards of the Australian Accounting Standards Board, the Corporations Act 2001, and the Co-operatives (Adoption of National Law) Act 2012 (NSW), Co-operatives National Law (CNL) and Co-operatives National Regulations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statement are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 22nd day of October 2026 by the directors of the Co-operative.

Notes to and forming part of the Financial Statements

Note 1 (continued)

Revenue Recognition

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Co-operative expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Co-operative have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Co-operative are:

Sales revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Accounting Policies

Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Notes to and forming part of the Financial Statements

Note 1 (continued)

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Inventories

Inventories are measured at the lower of cost and net realisable value

Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at cost or 1981 valuation. Land and buildings are valued periodically by external independent valuers. In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conducted directors' valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Notes to and forming part of the Financial Statements

Note 1 (continued)

Plant and Equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciatory assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 – 4%
Plant & Equipment	6 – 40%

Notes to and forming part of the Financial Statements

Note 1 (continued)

Employee Provisions (see also note 11)

Employee provisions represent amounts accrued for annual leave, sick leave and long service leave.
The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the co-operative does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the co-operative does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their entitlement.

Cash and Cash Equivalents

Cash and Cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Impairment of Assets

At each reporting date, the Co-operative reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.
If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.
Where it is not possible to estimate the recoverable amount of an individual asset, the Co-operative estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to and forming part of the Financial Statements

Note 1 (continued)

Revenue

	2026	2025
Revenue from contracts with customers (AASB 15)		
Sales – Retail	3,191,372	3,217,238
	3,191,372	3,217,238
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations		
Sundry Income	31,996	35,839
Rental Income	62,526	63,731
	94,522	99,570
Finance Income		
Interest Received	7,643	9,687
	3,293,537	3,326,495

Trade and Other Receivables

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

Notes to and forming part of the Financial Statements

Note 1 (continued)

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Co-operative during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The Co-operative assesses impairment at each reporting date by evaluating conditions specific to the Co-operative that may lead to impairment of assets. Where the impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Notes to and forming part of the Financial Statements

Note 2: Trading Account

2025 $			2026 $
3,217,238	Sales		3,191,372
	Less Cost of Goods Sold		
568,287	Opening Stock	593,988	
2,473,859	Purchases and Freight Inwards	2,391,080	
3,042,146		2,985,068	
-593,988	Closing Stock	-577,936	
2,448,158	Cost of Goods Sold		2,407,132
769,080	**Gross Trading Profit**		**784,240**
	Income		
769,080	Gross Trading Profit	784,240	
63,731	Rent	62,526	
9,687	Interest	7,643	
35,839	Sundry Income	31,996	
878,337	**Total Income**		**886,405**
	Expenses		
6,079	Advertising	7,475	
	Assets - Instant Write Off	14	
4,500	Audit / Accountancy Fees	4,000	
	Bad Debts Written Off	267	
7,022	Bank Charges	6,847	
26,202	Cobargo Hub expenses	24,398	
19,988	Depreciation	20,800	
12,197	Directors Fees	14,745	
7,965	Forklift & Motor Vehicle Expenses	8,333	
3,859	General expenses	1,868	
8,243	Hiring Charges	8,686	
38,492	Insurance	39,635	
28	Interest Expense	32	
7,449	Land Tax	8,017	
-603	Light, Power, Heating	908	
967	Lease Preparation Fees	-	
1,768	Outside Services	2,733	
2,179	Postage	2,730	
4,303	Printing & Stationary	4,950	
12,325	Projects Work expenses	12,250	
24,573	Rates and Taxes	23,301	
14,676	Repairs and Maintenance	9,827	
12,918	Rubbish & Effluent Removal	13,087	
500	Seninars & Conferences	0	
10,922	Software Support	5,304	
7,718	Staff Training and Amenities	5,021	
3,325	Subscriptions and Licences	16,690	
4,898	Telephone	2,498	
600,809	Wages & Superannuation Contributions	667,404	
843,302	**Total Expenses**		**911,820**
35,035	**Operating Profit/(Loss)**		**-25,415**

Notes to and forming part of the Financial Statements

2025		2026
$	**Note 2: Trading Account (continued)**	$
35,035	**Operating Profit/(Loss)**	**- 25,415**
- 11,738	Income Tax Expense	1,798
23,297	**Profit/(Loss) attributable to members of the Co-op**	**- 23,617**

Note 3: Cash

Reconciliation of Cash:
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of the financial position as follows:

2,600	Cash on Hand	2,600
102,562	Horizon Bank Current Account	133,622
300	Petty Cash	300
105,462		**136,522**

Note 4: Receivables

111,681	Trade Debtors	99,340
-6,000	Less Provision for Doubtful Debts	-6,000
1,912	Other Debtors	6,724
107,593		**100,064**

Note 5: Inventories

593,988	Goods at Cost	**577,936**

Note 6: Prepayments

43,717	Prepaid Expenses	**45,536**

2025 $		2026 $
	Note 7: Property, Plant and Equipment	
110,917	Land and Buildings 1981 Valuation	110,917
-110,917	Less Provision for Depreciation	-110,917
0		0
1,786,136	Land & Buildings – at Cost	1,801,072
-393,232	Less Provision for Depreciation	-427,268
1,392,904		1,373,804
11,013	Storage Shed - deposit	12,356
7,745	Striven Software Solutions	7,745
-	Less Provision for Depreciation	- 1,545
7,745		6,200
22086	Plant and Equipment – at Cost	22,086
-7796	Less Provision for Depreciation	-10,654
14290		11,432
227,784	Furniture and Equipment – at Cost	227,784
-227,784	Less Provision for Depreciation	-227,784
0		0
24,858	Car Park – at Cost	24,858
1,450,810		**1,428,650**
	Note 8: Current Payables	
213,627	Trade & Other Creditors	201,329
8,963	Rent Paid in Advance	5,998
222,590		**207,327**
	Note 9: Current Interest-Bearing Liability	
337	Horizon Bank Term Loan	366
337		**366**
	Note 10: Current Tax Liabilities	
-	Pay As You Go Tax Withheld	6,130
- 20,713	Income Tax Liability	- 22,008
-	Goods and Services Tax	13,506
- 20,713		**- 2,372**

An independent revaluation of land and buildings was undertaken on 14th October 2024 by Walsh + Monaghan. The revaluation, which was undertaken to comply with Accounting Standards as part of a policy to revalue land and buildings periodically, was based on the current market value of land and buildings. The valuation revealed a current market value of $2,900,000

2025 $		2026 $
	Note 11: Employee Provisions	
115,146	Opening balance at 1 July 2025	116,095
37,606	Additional provisions raised during year	46,618
- 36,657	Amounts used	- 36,460
116,095	Balance at 30 June 2026	**126,253**
	Analysis of Employee Provisions	
64,286	Annual and sick leave entitlements	79,521
51,809	Long service leave entitlements	46,732
116,095	Total current employee provisions	**126,253**

Note 12: Non-Current Interest Bearing Liability

0	Horizon Bank Term Loan	**0**

Bank loans and overdraft are secured by equitable mortgage and floating charges by Horizon Credit Union over the assets of the Society.

Note 13: Members Shares

50,460	24,670 Shares of $2.00 each	**49,340**

Note 14: Reserves

98,110	Asset Revaluation Reserve	98,110
147,451	Capital Profit Reserve	147,451
245,561		**245,561**

Note 15: Auditors' Remuneration

0	Audit Fee due to Auditors	**0**

Note 16: Related Party Transactions

Sale of farm supplies and stores to Directors are on normal commercial terms and conditions as enjoyed by other non-related members

Note 17: Cash Flow

2025 $		2026 $
2,600	Cash on Hand	2,600
300	Petty Cash	300
30,857	Horizon Savings	101,922
71,705	Cheque Account	31,700
105,462	Total	**136,522**

Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities

23,297	Profit from ordinary activities after Income Tax	- 23,617
	Non-Cash Flows in Operating Profit:	
19,988	Depreciation	20,800
	Changes in Assets and Liabilities:	
13,293	(Increase)/Decrease in receivables	14,326
1,229	(Increase)/Decrease in other assets	- 8,596
- 26,511	(Increase)/Decrease in inventories	16,052
- 1,911	(Increase)/Decrease in prepaid Expenses	- 1,819
- 12,186	Increase/(Decrease) in creditors	- 17,003
- 18,011	Increase (Decrease) in other creditors	24,778
- 2,125	Increase/(Decrease) in Prepaid Income	- 2,965
- 25,227	Increase/(Decrease) in Provisions	8,863
-28,164	**Cash Flow from Operations**	**30,819**

Note 18: Income Tax Expense

The components of tax expense comprise:

	2025	2026
	$	$
Income Tax	9,194	0
Deferred Tax	2,544	-1,798
	11,738	**-1,798**

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows.

Prima facie tax payable on profit from ordinary activities before income tax at 25%

Note 19: Deferred Tax Asset

The amount and nature of the deferred tax asset for the financial year ended 30 June 2026 is:

Deferred tax assets & liabilities for each type of temporary difference

Deferred tax assets	
Provision for Annual/Sick Leave	79,520
Provisions for Long Service Leave	46,732
Rent in Advance	5,998
TOTAL DEFERRED ASSETS	132,250
Deferred Tax Liabilities	
Provision for doubtful debt	6,000
TOTAL DEFERRED LIABILITIES	6,000

Deferred tax amounts recognised in income tax expense

Deferred tax assets	
Provision for Annual/Sick Leave	19,881
Provisions for Long Service Leave	11,683
Rent in Advance	1,499
Audit Fee Accrual	-
TOTAL DEFERRED TAX RELATING TO ASSETS	33,063
Deferred tax liabilities	
Provision for doubtful debt	1,500
TOTAL DEFERRED TAX RELATING TO LIABILITIES	1,500
NET DEFERRED TAX FOR DEFERRED TAX ASSET	**31,563**