Annual Report 2026

Oak Flats Financial Services Ltd

Community Bank
Oak Flats

ABN 62 093 057 768

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Directors' report

For the year ended 30 June 2026

Your directors present this report on the company for the financial year ended 30 June 2026

Directors

The names of the directors in office at any time during or since the end of the year are:

Name of Director	Period as Director	Qualifications, experience & special responsibilities	
Geoffrey Michael Egan	26 May 2000	Retired Accountant	Chairman
Jennifer Marie Butler	26 May 2000	Semi-Retired	
Vanessa Mitrevska	5 December 2012	Employed in Marketing	
Ryan Bradbury	27 November 2017	Accountant	Secretary
David Banks	20 July 2020	Manager	
Jim Crawford	27 October 2020	Retired Banker	
Shane Douglas	24 January 2022	Manager	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the Company during the course of the financial year were in providing **Community Bank®** services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Operating results

Operations have continued to perform in line with expectations. The profit/(loss) of the Company for the financial year after provision for income tax was $217,152 (2025: $280,451).

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	Year ended 30 June 2026	
Dividends	**Cents per share**	**$**
Final dividends recommended:	15	68,866
Ordinary Dividend of 10 cents Plus Extraordinary of 5 Cents		
Dividends paid in the year:	15	68,866
- As recommended in the prior year report		

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

Likely developments

The Company will continue its policy of providing banking services to the community.

Directors' benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest other than that mentioned in Note 17 & 21.

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

Indemnification and Insurance of Directors and Officers

The Company has indemnified all Directors and the Manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as Directors or Managers of the Company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an Auditor of the Company or a related body corporate.

Directors meetings

The number of Directors meetings attended by each of the Directors of the Company during the year were:

Name of director	Number attended	Other Committee
Geoffrey Michael Egan	11 of 11	5 of 5
Jennifer Marie Butler	10 of 11	1 of 1
Vanessa Mitrevska	10 of 11	
Ryan Bradbury	10 of 11	
David Banks	11 of 11	1 of 1
Jim Crawford	8 of 11	
Shane Douglas	10 of 11	

Proceedings on Behalf of Company

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

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

The directors received the following declaration from the auditor of the Company:

Auditors Independence Declaration

In relation to our audit of the financial report of Oak Flats Financial Services Ltd for the financial year ended 30 June 2026, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

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

Signed at Oak Flats on 3rd November 2026

.....

Geoff Egan
Chairman

.....

Ryan Bradbury
Secretary

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

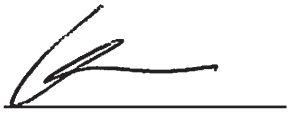
Auditor's independence declaration

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Oak Flats Finances Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.



O'Donnell Hennessy Taylor
Wollongong NSW

Dated: 5/11/2026

Financial statements

Statement of Comprehensive Income
For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue	2	2,509,774	2,514,977
Gross profit		**2,509,774**	**2,514,977**
Employee benefits expense		(1,098,698)	(1,213,715)
Depreciation and amortisation		(62,571)	(63,082)
Administration and general costs		(154,849)	(182,637)
Finance costs		(1,956)	(1,861)
Bad and doubtful debts expense		(256)	(384)
Occupancy expenses		(36,233)	(24,652)
Marketing		(76,087)	(78,021)
IT costs		(46,788)	(48,622)
Motor Vehicle expenses		(11,440)	(12,301)
Profit / (loss) before charitable donations & sponsorships		**1,020,896**	**889,702**
Charitable donations and sponsorship		(736,504)	(512,113)
Profit / (loss) before income tax		**284,392**	**377,589**
Income tax expense / (benefit)		(67,240)	(97,138)
Operating profit after tax		217,152	280,451
Retained profit at beginning of the financial year		1,750,321	1,538,735
Total available for appropriation		1,967,473	1,819,186
Dividends provided for or paid	5	68,866	68,866
Other Income			
Retained profits at the end of the financial year		**1,898,606**	**1,750,321**
Other comprehensive income:			
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year		**217,152**	**280,451**
Earnings per share (cents per share)			
- basic for profit / (loss) for the year	23	47	61
- diluted for profit / (loss) for the year	23	47	61

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

Statement of Financial Position
For the year ended 30 June 2026

	Note	2026	2025
		$	$
Current Assets			
Cash assets	6	1,512,512	1,371,357
Receivables	7	210,485	192,382
Other financial assets	8	83,339	83,339
Other	9	14,755	6,933
Total Current Assets		**1,821,091**	**1,654,011**
Non-Current Assets			
Property, plant and equipment	10	723,991	746,979
Intangible assets	11	72,479	106,939
Total Non-Current Assets		**796,470**	**853,918**
Total Assets		**2,617,561**	**2,507,929**
Current Liabilities			
Payables	12	108,322	116,653
Provisions	15	99,202	-
Current tax liabilities	14	26,463	29,603
Total Current Liabilities		**233,987**	**146,256**
Non-Current Liabilities			
Financial liabilities	13	9,700	28,255
Provisions	15	24,161	131,933
Total Non-Current Liabilities		**33,861**	**160,188**
Total Liabilities		**267,848**	**306,444**
Net Assets		**2,349,714**	**2,201,486**
Equity			
Contributed equity	16	451,108	451,108
Retained profits		1,898,606	1,750,378
Total Equity		**2,349,714**	**2,201,486**

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

Notes to the financial statements

For year ended 30 June 2026

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.
The financial report covers Oak Flats Financial Services Ltd as an individual entity. Oak Flats Financial Services Ltd is a company limited by shares, incorporated and domiciled in Australia.
The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.
The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated

Statement of compliance
The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report

Income tax
Income tax has been brought to account using the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for permanent differences.
Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

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

a) Plant and equipment
The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.
The cost of fixed assets constructed within Oak Flats Financial Services Ltd includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

b) Depreciation
The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Oak Flats Financial Services Ltd commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. 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 depreciable asset are:

Class of Asset	Depreciation Rate %
Leasehold improvements	10 %
Plant and equipment	10 - 30 %
Other plant and equipment	10 - 15 %

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

Leases
Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Investments
Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.
The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Intangibles
Establishment costs have been amortised over 15 years on a straight line rate. Franchise fees are amortised over the period of the franchise on a straight line amount of 20% per year.

Employee entitlements
Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.
Contributions are made by Oak Flats Financial Services Ltd to an employee superannuation fund and are charged as expenses when incurred.

Cash
For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Comparative Figures
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Revenue
Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.
Dividend revenue is recognised when the right to receive a dividend has been established.
Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.
All revenue is stated net of the amount of goods and services tax (GST).

Subsequent Event
There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

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Note 2: Revenue

Operating Activities:		
Interest revenue	16,166	25,953
Dividend revenue	6,741	6,741
Trust Distribution	9,469	-
Other operating revenue:		
Gross Receipts - Oak Flats	2,324,219	2,313,434
Gross Receipts - Shellharbour	-	-
Gross Receipts - Gerringong	153,179	164,204
Other Income O F	-	4,645
Other Income Gerringong	-	-
Profit on sale of assets	-	-
	2,509,774	**2,514,977**
***Interest from:**		
Bendigo and Adelaide Bank Limited	16,166	25,953
	16,166	**25,953**
****Dividends from:**		
Bendigo and Adelaide Bank Limited	6,741	6,741
	6,741	**6,741**

Note 3: Profit from Ordinary Activities

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as Expense:		
Amortisation of non-current assets:		
- Preliminary expenses		
- Other intangibles	31,727	35,492
- Share issue expenses		
Total amortisation expenses	31,727	35,492
Bad and doubtful debts	144	384
Borrowing costs:		
- Other persons	1,956	1,861
Total borrowing costs	2,100	2,245
Depreciation of non-current assets:		
- Buildings	66	73
- Plant and equipment	31,021	27,517
- Motor vehicles	2,623	3,747
Total depreciation expenses	33,710	31,338

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026 $	2025 $
Note 4: Income Tax		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie income tax payable on operating profit at 25.0% (2025 25%).	71,098	94,397
Add Tax effect of:		
Imputation credit - Bendigo Bank Shares	722	722
Employee Entitlements	- 2,143	3,716
Entertainment	1,706	726
Plus Amortisation Expense - Gerringong Right of Use	1,985	3,642
Plus Interest Expense - Gerringong Right of Use	489	465
Less Rent Expense - Gerringong Right of Use	- 3,728	- 3,642
	70,129	100,027
Less:		
Imputation Credit	2,889	2,889
Income tax expense attributable to profit from ordinary activities	**67,240**	**97,138**
Note 5: Dividends		
Dividends provided for or paid	68,866	68,866
	68,866	**68,866**
Note 6: Cash assets		
Bank accounts:		
Cash At Bank - Oak Flats	452,164	402,086
Dividend Account	9,412	8,759
Cash At Bank - Shellharbour	-	5,183
Bendigo Expenses Account	4,716	6,803
Cash At Bank - Gerringong	311,065	239,006
Bendigo Account - BO01	-	709,012
Sandhurst Managed Funds	734,647	
Other cash items:		
Cash On Hand - Oak Flats	508	508
	1,512,512	**1,371,357**
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 financial position as follows:		
- Cash	1,512,512	1,371,357
	1,512,512	**1,371,357**
Note 7: Receivables		
Current		
Trade debtors	210,485	188,704
Other debtors	-	3,679
	210,485	**192,382**

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

		2026 $		2025 $
Note 8: Other Financial Assets				
Current				
Shares in other corporations - at cost:				
- Listed on a prescribed stock exchange		83,339		83,339
		83,339		**83,339**
Note 9: Other Assets				
Current				
Prepayments		14,755		6,933
		14,755		**6,933**
Non Current				
Preliminary expenses		106,650		106,650
Less: accumulated amortisation	-	106,650	-	106,650
Share issue expenses		23,956		23,956
Less: accumulated amortisation	-	23,956	-	23,956
Other		-		-
		-		-
Note 10: Property, Plant and Equipment				
Buildings:		632,690		632,690
- At cost	-	2,056	-	1,990
- Less: Accumulated depreciation		630,634		630,700
Leasehold improvements:				
- At cost		419,940		418,600
- Less: Accumulated depreciation	-	333,334	-	311,803
		86,606		106,797
Plant and equipment:				
- At cost		92,959		83,577
- Less: Accumulated depreciation	-	92,330	-	82,839
		630		738
Motor vehicles:				
- At cost		32,419		32,419
- Less: Accumulated depreciation	-	26,298	-	23,675
		6,121		8,744
		723,991		**746,979**

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026 $	2025 $
Note 11: Intangible Assets		
Other intangibles:		
- At cost	114,323	175,688
- Less: Accumulated amortisation	- 41,844	- 68,749
	72,479	106,939
	72,479	**106,939**
Note 12: Payables		
Unsecured:		
- Trade creditors	30,322	15,659
- Other creditors	77,999	100,994
	108,322	**116,653**
Note 13: Secured Loans		
Non Current		
- Lease Liabilities	9,700	28,255
	9,700	**28,255**
Total Secured Loans	**9,700**	**28,255**
Note 14: Tax Liabilities		
Current		
GST clearing	35,291	31,928
Taxation	- 8,829	- 2,267
	26,463	**29,661**

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026 $	2025 $
Note 15: Provisions		
Current		
Employee entitlements*	99,202	-
Non Current		
Employee entitlements*	24,161	131,933
	123,363	131,933
*** Aggregate employee entitlements liability**	123,363	131,933
There were 9 employees at the end of the year		
Note 16: Contributed Capital		
459108 Ordinary shares at $1.00 each fully paid	**451,108**	**451,108**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. 'At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 17: Remuneration & Retirement Benefits

Directors' Remuneration

Number of directors whose income from the company or any related parties was within the following bands:

$	$	No	No
1,000	- 19,000	7	7

The names of directors of the company who have held office during the financial year are:

Geoffrey Michael Egan	Chairman, Sponsorship, Remuneration,Business Development,Strategic
Jennifer Marie Butler	Sponsorship, Audit,Strategic
Vanessa Mitrevska	Marketing & Sponsorship,Strategic
Ryan Bradbury	Company Secretary,Remuneration,Strategic
David Banks	Strategic, Remuneration
Jim Crawford	Strategic, Remuneration
Shane Douglas	Gerringong

Note 18: Superannuation Commitments

The company has registered as an employer with the fund nominated by each employee. Contributions to the funds are based on a percentage of employees gross remuneration and are made by the employer. Contributions to the plan will not exceed the permitted levels prescribed by the income tax legislation from time to time

Note 19: Auditors' Remuneration

Remuneration of the auditor of the company for:		
Auditing or reviewing the financial report	12,500	7,500
	12,500	**7,500**

Note 20: Contingent Liabilities

In the opinion of the directors there are no contingent liabilities at balance date.

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026 $	2025 $

Note 21: Related Parties

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

Directors

Transactions with directors:

Professional fees for share registry, dividend payment processing, office administration, taxation and accounting were paid to Ruiz and Associates, of which Geoffrey Egan is a Contractor

The package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the Oak Flats and Shellharbour branches. There is no requirement to own BEN shares and there is no qualification to qualify to utilize the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank shareholders. The Directors have estimated the total benefits received from the Directors' Privilege Package to be minimal for the year ended 30 June 2026.

Note 22: Dividends paid or provided for on ordinary shares

(a) Previous year final		
Franked dividends - 15 cents per share (2025: 15cents per share	68,866	68,866
(b) Dividends proposed and not recognised as a liability		
Franked dividends - 15 cents per share (2025: 15 cents per share)	68,866	68,866
(c) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- Franking account balance as at the end of the financial year at 25%	569,047	510,475
- Franking (debits)/credits that will arise from the Payment (refund) of income tax payable as at the end of the financial year	(2,267)	81,577
- Franking debits that will arise from the payment of dividends as at the end of the financial year	(23,005)	(23,005)

The tax rate at which dividends have been franked is 25% (2025: 25%).
Dividends proposed will be franked at a rate of 25% (2025 25%).

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026 $	2025 $
Note 23: Earnings per share		
Basic earnings per share amounts are calculated by dividing profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic and diluted earnings per share computations:	.47	.61
Profit/(loss) after income tax expense	217,152	280,451
Weighted average number of ordinary shares for basic and diluted earnings per share	459,108	459,108

Note 24: Financial Instruments

Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. The company does not have any unrecognised financial instruments at year end.

There are no material credit risk exposures to any single debtor under financial instruments entered into by the economic entity.

Note 25: Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit committee which reports regularly to the Board. The Audit committee is assisted in the area of risk management by an internal audit function.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables and cash assets.

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of financial position and notes to the financial statements. The

Company's maximum exposure to credit risk at reporting date was:

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026 $	2025 $
25. Financial risk management (continued)		
	Carrying amount	**Carrying amount**
Cash assets	1,512,512	1,371,357
Receivables	210,485	192,382
	1,722,997	1,563,739

The Company's exposure to credit risk is limited to Australia by geographic area. The entire balance of receivables is due from Bendigo and Adelaide Bank Ltd.
None of the assets of the Company are past due (2025: nil past due) and based on historic default rates, the Company believes that no impairment allowance is necessary in respect of assets not past due.
The Company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Ltd.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

30 June 2026	Carrying amount $	Contractual cash flows $	1 year or less $	over 1 to 5 years $	over 1 to 5 years $
Payables	108,322		108,322	-	-
Loans and borrowings	-	-	-	-	
	108,322	-	108,322	-	-

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026 $	2025 $

25. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular Board meetings.

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	Carrying amount
Fixed rate instruments		
Financial assets	-	0
Financial liabilities	-	0
	-	0
Variable rate instruments		
Financial assets	1,512,512	1,371,357
Financial liabilities	108,322	116,653
	1,404,190	1,254,704

Fair value sensitivity analysis for fixed rate instruments
The Company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have minimal impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2018 there was also minimal impact. As at both dates this assumes all other variables remain constant.

(d) Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of financial position. The Company does not have any unrecognised financial instruments at year end.

	2026 $	2025 $

25. Financial risk management (continued)

(e) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. The Board of Directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of financial position.

In accordance with the franchise agreement, in any 12 month period, the funds distributed to shareholders shall not exceed the Distribution Limit.

1) 20% of the profit or funds of the Franchisee otherwise available for distribution to shareholders in that 12 month period; and
   subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital of the Franchisee over that 12 month period; and
2) the Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period plus 5%.

The Board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship.

There were no changes in the Company's approach to capital management during the year.

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

Statement of Cash Flow
For the year ended 30 June 2026

	2026 $	2025 $
Cash Flow From Operating Activities		
Receipts from customers	2,459,295.00	2,538,929.00
Payments to Suppliers and employees	-2,182,215.00	-2,111,037.00
Interest and other costs of finance	-1,956.00	-1,861.00
Dividends received	6,741	6,741
Interest/distribution received	25,635.00	25,953.06
Income tax paid	-73,802.00	-180,982.00
Net cash provided by (used in) operating activities (note 2)	233,698	277,743
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	-	- 2,290
Payments for intangible assets	- 23,678	- 104,610
Proceeds from sale of fixed assets.		
Net cash provided by (used in) investing activities	- 23,678	- 106,900
Cash Flow From Financing Activities		
Proceeds of borrowings		
Loan Repayments	-	-
Dividends paid	- 68,866	- 68,866
Net cash provided by (used in) financing activities	- 68,866	- 68,866
Net Movement in Cash	141,154	101,977
Net increase (decrease) in cash held	141,154	101,977
Cash at the beginning of the year	1,371,357	1,269,380
Cash at the end of the year (note 1)	1,512,512	1,371,357

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

	2026	2025
	$	$
Note 1. Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash At Bank - Oak Flats	452,164	402,086
Dividend Account	9,412	8,759
Cash At Bank - Shellharbour	-	5,183
Bendigo Bank expense account	-	6,803
Cash At Bank - Gerringong	311,065	239,006
Bendigo Eftpos Account	4,716	-
Term Deposit - 201210689	-	709,012
Cash On Hand - Oak Flats	508	508
Cash On Hand - Shellharbour	-	-
Sandhurst Managed Funds	734,647	-
	1,512,512	1,371,357
Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit		
Operating profit (loss) after tax	217,152	280,451
Depreciation	26,737	31,338
Amortisation	35,834	35,492
(Profit)Loss on sale of Property,plant 7 equipment		
Increase/(decrease) in provision for income tax	- 6,562	- 83,844
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	- 21,782	20,802
(Increase) decrease in other debtors	3,679	3,150
(Increase) decrease in prepayments	- 7,822	4,831
(Increase) decrease in lease assets	-	15,054
Increase (decrease) in trade creditors and accruals	- 8,331	- 69,340
Increase (decrease) in other creditors	-	76,616
Increase (decrease) in employee entitlements	- 8,570	14,865
Increase (decrease) in sundry provisions	3,363	- 23,910
Increase (decrease) in lease liabilities	-	- 27,763
Net cash provided by operating activities	233,698	277,743

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

Statement of Changes of Equity
For the year ended 30 June 2026

	2026 $	2025 $
Share capital		
Balance at start of year	451,108	451,108
Issue of share capital	-	-
Share issue costs	-	-
Balance at end of year	451,108	451,108
Retained earnings / (accumulated losses)		
Balance at start of year	1,750,319	1,538,734
Profit/(loss) after income tax expense	217,152	280,451
Dividends paid	(68,866)	(68,866)
Balance at end of year	1,898,605	1,750,319
Total Equity	2,349,714	2,201,427

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report

Directors' declaration

For the year ended 30 June 2026

In accordance with a resolution of the Directors of OAK FLATS FINANCIAL SERVICES LTD we state that:

1. In the opinion of the Directors
   - **a.** The Statement of Financial Performance of the company is drawn up so as to give a true and fair view of the loss of the company for the financial year ended 30th June 2026;
   - **b** .The Statement of Financial Position is drawn up so as to give a true and Fair view of the state of affairs of the company as at 30th June 2026 and
   - **c.** At the date of this statement there are reasonable grounds to believe that the company will be able to pay it debts as and when they fall due.

2.The Company in respect of the financial year to which those accounts relate:
   - **a.** Has kept such accounting records as correctly record and explain the transactions and financial position of the company;
   - **b** .Has kept its accounting records in such a manner as would enable true and fair accounts of the company to be prepared from time to time; and
   - **c.** Has kept its accounting records in such manner as would enable the accounts of the company to be conveniently and properly audited in accordance with the Corporations Law.

3.The accounts to which this statement relates have been properly prepared by a competent person.

On behalf of the Board

Geoff Egan
Chairman

Ryan Bradbury
Director

Signed at Oak Flats on

Independent audit report

OAK FLATS FINANCIAL SERVICES LIMITED
ACN 093 057 768
Independent Audit Report to the Members of
Oak Flats Financial Services Limited

Report on the Financial Report

Opinion

We have audited the financial report of Oak Flats Financial Services Limited (the company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.
In our opinion:

a. the accompanying financial report of Oak Flats Financial Services Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

   ii. complying with the International Accounting Standards, Australian Accounting Standards and the *Corporations Act 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (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 the company, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2026. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 company 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 company or to cease operations, or have no realistic alternative but to do so.

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 Company'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 Company'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 Company 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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm:	O'DONNELL HENNESSY TAYLOR
Name and Signature of Principal Auditor:	 Angela Wang
Address:	WOLLONGONG
Dated this	5th day of November 2026

Community Bank · Oak Flats
78 Central Avenue, Oak Flats NSW 2529
Phone: 02 4256 9511
Email: oakflatsmailbox@bendigoadelaide.com.au
Web: bendigobank.com.au/oak-flats

Franchisee: Oak Flats Financial Services Ltd
ABN 62 093 057 768
67A Central Avenue, Oak Flats NSW 2529
Phone: 02 4256 9511

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (BNPAR26119) (11/26)