

Karakan Ltd

ABN: 48 009 868 286

Financial Statements

For the year ended 30 June 2026

Karakan Ltd

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Auditor's Independence Declaration

As the auditor of Karakan Ltd for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contraventions of any applicable profession conduct in relation to the audit.

The declaration is made in respect to Karakan Ltd for the year ended 30 June 2026.

Signed on: 30/09/2026


18217821F98C6154

James McKenzie, Registered Company Auditor 339590
Dickensons Accountants
Lvl 2, 3908 Pacific Hwy, Loganholme QLD 4129

Karakan Ltd

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	3	16,095,913	11,418,254
Finance income	4	79,447	145,059
Lease income	9	230,084	121,663
Employee benefit expenses		(13,016,751)	(9,580,497)
Occupancy costs		(656,048)	(323,511)
Other expenses		(1,410,858)	(910,862)
Depreciation expenses		(104,792)	(88,375)
Profit (loss) before income taxes		1,216,995	781,731
Income tax		-	-
Profit (loss) from continuing operations		1,216,995	781,731
Profit (loss) for the year		1,216,995	781,731
Total comprehensive income for the year		1,216,995	781,731

The accompanying notes form part of these financial statements.

Karakan Ltd
Statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	5	3,464,097	2,763,490
Trade and other receivables	6	1,094,315	611,816
Other assets	8	236,240	371,219
Total current assets		4,794,652	3,746,525
Non-current assets			
Property, plant and equipment	7	2,641,381	2,623,782
Right-of-use assets	9		
Buildings		259,945	280,131
Total non-current assets		2,901,326	2,903,913
Total Assets		7,695,978	6,650,438
Liabilities			
Current liabilities			
Trade and other payables	10		
Trade payables		425,910	275,490
Accrued expenses		77,739	8,500
Other trade and other payables		975	975
Total Trade and other payables		504,624	284,965
Employee benefits	12	658,517	793,954
Lease liabilities	9	259,945	282,542
Provision of Unearned Revenue	11		
Other liabilities		20,000	150,232
Deferred income		39,134	147,925
Total Provision of Unearned Revenue		59,134	298,157
Total current liabilities		1,482,220	1,659,618
Non-current liabilities			
Employee benefits	12	90,000	81,279
Lease liabilities	9	-	2,782
Total non-current liabilities		90,000	84,061
Total Liabilities		1,572,220	1,743,679
Net assets		6,123,758	4,906,759
Equity			
Retained earnings			
Opening balance		4,811,110	4,029,375
Profit for the year		1,216,995	781,731

The accompanying notes form part of these financial statements.

Karakan Ltd
Statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 \$
Total Retained earnings		6,028,105	4,811,106
Reserves	13	95,653	95,653
Total Equity		6,123,758	4,906,759

The accompanying notes form part of these financial statements.

Karakan Ltd

Statement of changes in equity

For the year ended 30 June 2026

	Retained earnings \$	Other reserves \$	Total \$	Total equity \$
2025				
Opening balance	4,029,368	95,653	4,125,021	4,125,021
Profit for the year	781,738	-	781,738	781,738
Closing balance	4,811,106	95,653	4,906,759	4,906,759

	Retained earnings \$	Other reserves \$	Total \$	Total equity \$
2026				
Opening balance	4,811,106	95,653	4,906,759	4,906,759
Profit for the year	1,216,999	-	1,216,999	1,216,999
Closing balance	6,028,105	95,653	6,123,758	6,123,758

The accompanying notes form part of these financial statements.

Karakan Ltd

Statement of cash flows

For the year ended 30 June 2026

	2026	2025
	\$	\$
Cash flows from operating activities:		
Receipts from customers	15,670,369	11,034,121
Payments to suppliers and employees	(14,925,395)	(10,279,568)
Net cash flows from/(used in) operating activities	744,974	754,553
Cash flows from investing activities:		
Interest received	79,447	145,059
Purchase of property, plant and equipment	(122,390)	(1,234,361)
Proceeds from property, plant & equipment	(1,424)	-
Net cash provided by/(used in) investing activities	(44,367)	(1,089,302)
Net increase/(decrease) in cash and cash equivalents	700,607	(334,749)
Cash and cash equivalents at beginning of year	2,763,490	3,098,240
Cash and cash equivalents at end of financial year	3,464,097	2,763,491

The accompanying notes form part of these financial statements.

1. Basis of preparation

The directors have prepared the financial statements on the basis that the financial report is therefore a general purpose financial report that has been prepared with simplified disclosures in order to satisfy the financial report preparation requirements of the Australian Charities and Not-for-profit Commission Act 2012 (ACNC Act) and the Corporations Act 2001.

The financial statements are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information is consistent with prior reporting periods unless otherwise stated.

2. Material accounting policy information

a. Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

3. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

b. Revenue from continuing operations

4. Finance income and expenses

Finance income	2026 \$	2025 \$
Interest income		
Other interest income	79,447	145,059
	79,447	145,059

5. Cash and cash equivalents**a. Accounting policy**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

b. Cash and cash equivalent details

	2026	2025
	\$	\$
Cash at bank	3,463,997	2,763,390
Cash on hand	100	100
	3,464,097	2,763,490

c. 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:

	2026	2025
	\$	\$
Cash and cash equivalents	3,464,097	2,763,490

6. Trade and other receivables

Current	2026	2025
	\$	\$
Trade receivables	1,094,315	611,816
	1,094,315	611,816

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7. Property, plant and equipment**a. Accounting policy**

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

7. Property, plant and equipment (continued)

a. Accounting policy (continued)

i. Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

b. Property, plant and equipment details

Summary	2026	2025
	\$	\$
Buildings	2,412,808	2,447,965
Furniture, fixtures and fittings	79,898	74,125
Motor vehicles	148,675	101,692
	2,641,381	2,623,782

2025	Buildings	Furniture, fixtures and fittings	Motor vehicles	Total
	\$	\$	\$	\$
As at 30 June 2025				
At cost	2,447,965	74,125	101,692	2,623,782

2026	Buildings	Furniture, fixtures and fittings	Motor vehicles	Total
	\$	\$	\$	\$
Opening balance	2,447,965	74,125	101,692	2,623,782
Additions	-	37,083	130,059	167,142
Disposals	-	-	(44,751)	(44,751)

7. Property, plant and equipment (continued)

b. Property, plant and equipment details (continued)

2026	Buildings	Furniture, fixtures and fittings	Motor vehicles	Total
	\$	\$	\$	\$
Depreciation	(35,157)	(31,310)	(38,325)	(104,792)
Closing balance	2,412,808	79,898	148,675	2,641,381
As at 30 June 2026				
At cost	2,412,808	79,898	148,675	2,641,381

8. Other assets

Current	2026	2025
	\$	\$
Prepayments	137,231	107,114
Accrued income	99,009	264,105
	236,240	371,219

9. Leases

a. Accounting policy

At inception of a contract, the Company assesses whether a lease exists.

i. Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis.

9. Leases (continued)**b. Company as a lessee**

The Company has leases over a range of assets including land and buildings, vehicles, machinery and IT equipment.

i. Right-of-use assets

2026	Buildings	Total
	\$	\$
Opening balance	280,131	280,131
Depreciation charge	(262,527)	(262,527)
Additions	242,341	242,341
Closing balance	259,945	259,945

ii. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2026	2025
	\$	\$
< 1 year	259,945	282,542
1 - 5 years	-	2,782
Total undiscounted lease liabilities	259,945	285,324
Lease liabilities included in the statement of financial position	259,945	285,324

10. Trade and other payables

Current	2026	2025
	\$	\$
Trade payables		
2-1110 Accounts Payable	29,268	25,592
2-1150 GST Payable	190,394	176,169
2-1152 GST adjustment acct	527	(1)
2-1155 Less GST Receivable	-	(42,141)
2-1181 PAYG Withholding Payable	205,721	115,871
Total Trade payables	425,910	275,490
Accrued expenses	77,739	8,500
Other trade and other payables	975	975

10. Trade and other payables (continued)

Current	2026	2025
	\$	\$
	504,624	284,965

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11. Other liabilities

Current	2026	2025
	\$	\$
Deferred income	39,134	147,925
Other liabilities	20,000	150,232
	59,134	298,157

12. Employee benefits**a. Accounting policy**

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

b. Employee benefit details

Current	2026	2025
	\$	\$
Long service leave	39,729	25,547
Annual leave	260,000	225,720
Other employee benefits	358,788	542,687

12. Employee benefits (continued)**b. Employee benefit details (continued)**

Current	2026	2025
	\$	\$
	658,517	793,954
Non-current	2026	2025
	\$	\$
Long service leave	90,000	81,279

13. Reserves

	2026	2025
	\$	\$
Capital Grant Reserve	95,653	95,653

14. Related parties**a. The Company's main related parties are as follows:**

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

Aaron Farrell
Cathy Hill
Leanne Peries
Michelle Wain
Rex Manderson
Tony Stevenson
Tracey De Angelis
Holly Blattman

The directors received no remuneration or financial benefit from Karakan.

15. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2026	2025
	\$	\$
Profit for the year	1,216,995	781,731

15. Cash flow information (continued)

	2026	2025
	\$	\$
Add / (less) non-cash items:		
Depreciation and amortisation	104,792	88,375
Finance income	(79,447)	(145,059)
Loss on Sale of Asset	1,424	-
Changes in assets and liabilities:		
(increase) / decrease in receivables	(482,499)	(526,274)
(increase) / decrease in other assets	-	11,986
increase / (decrease) in payables	72,915	154,292
increase / (decrease) in lease	(14,846)	(14,846)
increase / (decrease) in employee benefits	(108,679)	224,412
increase / (decrease) in other liabilities	34,319	179,936
Cash flows from operations	744,974	754,553

16. Financial Investment Income

Last years Interest Income was \$145,059.00.

This years Interest Income is \$79,447.43.

Interest Income not included in this years financials but arising shortly after years end include:

Account:	Maturity Date:	Income Amount:
		\$
BOQ #4090	04/11/2026	24,523
BOQ #4456	27/09/2026	13,468
Total:		37,991

17. Events occurring after the reporting date

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

18. Auditor's remuneration

	2026	2025
	\$	\$

18. Auditor's remuneration (continued)

	2026	2025
	\$	\$
Auditor's Remuneration	8,925	8,500

19. Statutory information

The registered office and principal place of business of the Company is:

Karakan Ltd
14a/ 10 Old Chatswood Road
DAISY HILL QLD Australia
4127

20. Restatement of Lease Assets

In prior years Lease assets have been represented with both current and non-current components. This treatment was incorrect per the leasing standards in AASB 16. The financials now correctly reflect the lease assets as only non-current assets.

In the directors opinion:

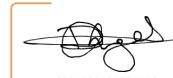
The financial statements and notes for the year ended 30 June 2026 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:

- comply with Australian Accounting Standards - Simplified Disclosures; and
- give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the Company.

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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


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Leanne Peries
Director


653AB28A2DF71DA2
Tracey De Angelis
Director

Dated: 01 October 2026

Independent Audit Report to the members of Karakan Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Karakan Ltd (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (a) 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 ended; and
- (a) complying with Australian Accounting Standards to the extent described in Note 1, the *Corporations Regulation 2001* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Company in accordance with the auditor independence requirements of the Corporations Act 2001, the Australian Charities and Not-for-Profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the 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.

Responsibilities of 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, Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 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 the financial report.

Signed on: 01/10/2026


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James McKenzie, Registered Company Auditor 339590
Of Dickensons Accountants
Lvl 2, 3908 Pacific Hwy
LOGANHOLME QLD 4129