



CONTENTS

CHAIR REPORT	3
BOARD & CORPORATE GOVERNANCE	4
CEO REPORT.....	6
A YEAR TO REMEMBER	14
DIRECTORS' REPORT.....	16
AUDITORS' INDEPENDENCE DECLARATION.....	18
FINANCIAL STATEMENTS	20
DIRECTORS' DECLARATION.....	45
INDEPENDENT AUDIT REPORT.....	46

CHAIR REPORT

Over the course of the financial year Traditional Credit Union Limited (TCU) has continued to build on its role in the Northern Territory community and made a positive impact on the lives of our members and staff.

DIRECTORS

TRIBUTE TO MR D. MARPIYAWUY

In last year's Annual Report, we thanked Mr Marpiyawuy, a resident of the Milingimbi community, for his contributions to TCU during his seventeen years as a Board member. He had been a passionate advocate for TCU during that time. Mr Marpiyawuy retired due to health reasons in March 2024.

In January 2025, Mr Marpiyawuy passed away. His legacy continues through the strength of his vision and commitment to TCU that he conveyed to all who knew him.

TCU IN ITS 30TH YEAR

The first branch of TCU was opened at Milingimbi on 1 April 1995, and Mr Marpiyawuy would have attended that event. Its opening fulfilled the vision of the Traditional Owners from that community in reinstating services that had been lost through the closure of banks in remote communities.

The establishment of the Milingimbi branch was also the result of the combined efforts of many people from Arnhem Land Progress Aboriginal Corporation, and from the Commonwealth and Northern Territory Governments.

There will be a celebration of this 30-year anniversary at Milingimbi in October. We will acknowledge not only the people who established TCU, but also the many people and organisations who contributed greatly to its sustainability during this time, including the staff in all our branch locations and at Head office, as well as our Board members.

In particular, we will acknowledge the on-going support from Arnhem Land Progress Aboriginal Corporation, East Arnhem Regional Council, West Arnhem Regional Council, Roper Gulf Regional Council, the Thamarrurr Development Corporation at Wadeye, and the Commonwealth Department of Social Services.

WELCOME TO JAMES WOODS

In May 2025 we welcomed James Woods to the Board. James, a resident of Maningrida, brings to the Board extensive experience in the governance of Indigenous corporations and as Mayor of the West Arnhem Regional Council.

James is a strong advocate for the important services that TCU provides to our communities.

WELCOME TO JOHN RAWNSLEY AS CHAIR

At the Board meeting in August 2025, John Rawnsley, a director since January 2025, was appointed as the Chair on my stepping down from the position.

John, a resident of Darwin, and a lawyer, brings to TCU substantial experience in governance in Indigenous and non-Indigenous entities, and in the role of a Chair. John understands the important role that TCU contributes to the social and cultural needs of our remote communities.



John Rawnsley and Iain Summers

Together with the TCU CEO Simon Lyons, he will lead TCU through the challenges ahead, including positioning it as a unique and valuable provider of essential banking services and employment in remote communities, building on the recommendations in the Report of the Australian Senate Rural and Regional Affairs Inquiry, "Protecting the future of regional banking" published in May 2024.

OUR COMMITTED STAFF

Our CEO Simon Lyons, who commenced on 1 July 2024, very quickly, and very successfully, adapted his considerable corporate experience, and his values, to the leadership challenges of TCU. The Board members look forward to supporting him as he continues to identify, and develop, strategic opportunities.

The Board also greatly appreciates the contributions of our staff in our branches, and at our Head Office, and recognises the challenges of our operating environment. We look forward to your continuing contribution to the important services that TCU delivers to its members and communities.



Iain Summers - Chair
30th August 2025

BOARD & CORPORATE GOVERNANCE

Our Board of Directors currently comprises six Indigenous and four Non-Indigenous directors, each with a status of being independent and non-executive. Our Board and senior management are committed to managing our business ethically and maintaining high standards of corporate governance. The Board has adopted practices and processes to ensure the sound management and oversight of TCU within the legal and regulatory framework we operate under.

The Board has a formal charter setting out its roles and responsibilities. The interests of our members and customers are paramount to our operations. These interests are best protected when TCU stays strongly focused on its objectives and legal obligations. The Board oversees this and ensures TCU is meeting all its corporate responsibilities.



IAIN SUMMERS

Chair (Nov-2023 to Aug-2025) and Non-Executive Director

Chair of the Board Audit & Finance Committee until Nov-2023, then Member of Board & Audit Finance Committee and Member of Board Risk Committee.

Director since: 2005

Qualifications & Experience:

- » Bachelor of Commerce and Bachelor of Laws
- » Fellow of Chartered Accountants Australia and New Zealand
- » Fellow of the Australian Institute of Company Directors



JOHN RAWNSLEY

Chair (Sep-2025) and Non-Executive Director

Member of the Board Risk Committee and Board Audit & Finance Committee

Director since: 2025

Qualifications & Experience:

- » Graduate of the Australian Institute of Company Directors
- » Bachelor of Laws and Bachelor of Aboriginal and Torres Strait Islander Studies (CDU)
- » Graduate Diploma in Legal Practice (ANU)
- » Director of Larrakia Development Corporation
- » Company Secretary and Governance Manager of Venture Housing Company Ltd



LILY ROY

Non-Executive Director

Director since: 2024

Qualifications & Experience:

- » Traditional Owner of Milngimbi
- » Director of the Arnhem Northern and Kimberley Artists Aboriginal Corporation (ANKA) since 2018 (also 2012-2014)
- » Director of ALPA since 2015



BUNUG GALAMINDA

Non-Executive Director

Director since: 2010

Qualifications & Experience:

- » Traditional Owner from Waruwi Community, Goulburn Island
- » Member of the Full Council of the Northern Land Council
- » Chair of the Yagbani Aboriginal Corporation
- » Member of the Ajurumu Store Committee



DAVID DJALANGI

Non-Executive Director

Director since: 2002

Qualifications & Experience:

- » Traditional Owner from Galiwinku, Elcho Island
- » Former Member of the Full Council of the Northern Land Council (until 2019)
- » Elected Councillor of the East Arnhem Regional Council (2017-23)
- » Member of the Advisory Council of East Arnhem Regional Council
- » Community Liaison and Cultural Mentor at ALPA since 2004

BOARD & CORPORATE GOVERNANCE



ELSBETH TORELLI

Non-Executive Director

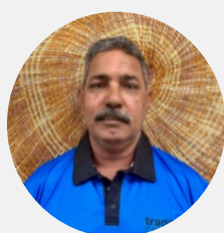
Chair of the Board Audit & Finance Committee and Member of the Board Risk Committee

Company Secretary (Feb-2018 to Nov-2024)

Director since: 2016

Qualifications & Experience:

- » Chief Risk Officer at First Option Bank
- » Fellow of the Institute of Public Accountants
- » Fellow of the Governance Institute of Australia
- » Director of the Customer Owned Banking Association (COBA)
- » Member of the Australian Institute of Company Directors MAICD
- » Senior Associate FINSIA



JAMES WOODS

Non-Executive Director

Member of the Board Risk Committee and the Audit & Finance Committee

Director since: May-2025

Qualifications & Experience:

- » Director & Deputy Chair of Bawinanga Homelands Aboriginal Corporation
- » Director of Mala'la Health Service Aboriginal Corporation
- » Regional Director of Local Government Association NT
- » Mayor / Councillor and Committee member of West Arnhem Regional Council
- » Deputy Unit Officer – Maningrida Emergency Services
- » Member of Norforce – Australian Army Reserve



SHARYN INNES

Non-Executive Director

Member of the Board Risk Committee

Director since: 2016

Qualifications & Experience:

- » Director of Palmerston Golf and Country Club Inc
- » Director of Cazalys Palmerston Club Inc
- » President of Down Under Craft Group
- » Member of the Sunshine Coast Community Cooperative Ltd.



DAVID KNIGHTS

Non-Executive Director

Chair of the Board Risk Committee and Member of the Board Audit & Finance Committee

Director since: 2009

Qualifications & Experience:

- » CEO of Indigenous Business Australia
- » Degree in Engineering
- » Master of Business Administration MBA
- » Graduate of the Australian Institute of Company Directors GAICD
- » Graduate of Institute of Superannuation Trustees (GAIST)
- » Graduate of FINSIA (Fundamentals of banking)



PETER DJUMBU

Non-Executive Director

Director since: 2024

Qualifications & Experience:

- » Community Representative of Ramingining
- » Member of Ramingining Store Committee
- » Elected Councillor of the East Arnhem Regional Council 2012-2017

CEO REPORT

This year marks another chapter in the extraordinary journey of Traditional Credit Union (TCU) - Australia's only Indigenous-owned bank, and the only bank prepared to tread the long and dusty roads to serve remote communities across the Northern Territory.

For over thirty years, we have stood firm in our purpose: to deliver culturally respectful, accessible financial services that empower Aboriginal and Torres Strait Islander peoples. But we are more than a bank. We are a movement - one that trains, employs, and uplifts Indigenous Australians in places where English is often not the first, or even second, language. In places where people need help with digital and financial literacy, and they trust the help of people in the community to achieve this.

FINANCIAL PERFORMANCE IMPACTED BY INVESTMENT IN SYSTEMS AND TECHNOLOGY

Whilst our profit declined year on year our financial performance was better than budgeted. Considerable investment was made in systems, processes, and technology upgrades. Several internal projects were completed to ensure TCU complies with all Australian Prudential Regulation Authority (APRA) standards, including CPS 230 Operational Risk Management and CPS 234 Information Security.

To strengthen our commitment to member safety and data protection, we engaged Intuit Technologies as our Virtual Chief Information Security Officer (vCISO). This strategic partnership ensures expert oversight of our cybersecurity posture, helping us proactively manage risks, safeguard sensitive information, and align with regulatory standards. Through Intuit Technologies' leadership, we have enhanced our systems' resilience, improved staff awareness, and implemented robust controls to protect against evolving threats - ensuring our members' financial wellbeing remains secure and supported.

TCU also completed a core banking upgrade to the Ultracs 5.1 core banking platform via Ultradata. This marks a significant step forward in delivering modern, secure, and member-focused financial services. This enhanced system provides a more intuitive and seamless banking experience, with improved digital capabilities such as real-time processing, mobile banking enhancements, and smarter self-service options. Further improvement in our capability will continue into the new financial year.

TCU has commenced work on other major projects including our transition to the New Payments Platform (NPP) and Open Banking. The NPP and Open Banking are transformative initiatives reshaping Australia's financial landscape, offering significant benefits to our members. The NPP enables real-time, 24/7 payments with richer data and faster settlement, improving convenience and reducing delays for everyday transactions. Open Banking, driven by the Consumer Data Right (CDR), empowers members to securely share their financial data with accredited providers, fostering greater transparency, personalised services, and competitive product offerings. Together, these technologies enhance the speed, security, and flexibility of banking, allowing TCU to deliver modern, member-focused experiences while maintaining trust and regulatory compliance.

This investment in technology is critical in keeping TCU competitive in the world of modern banking. It is also vital as we look to add additional revenue streams to allow us to invest further in employment and services to remote communities. Whilst we are Australia's smallest bank we must comply with the regulatory regimes of APRA, Australian Securities and Investments Commission (ASIC), Australian Competition and Consumer Commission (ACCC) and AUSTRAC - in exactly the same manner as organisations that are thousands of times our size.

BANKING ON COUNTRY, BANKING IN LANGUAGE

TCU operates in fourteen locations, twelve of which are remote Indigenous communities. Our staff - 85% of whom are Indigenous - do not just serve; they speak the languages of the communities they live in. This year, we continued to preserve language and culture across Arnhem Land in the Northern Territory, ensuring our services are delivered in language, building trust, and strengthening identity.



BRANCH VISITS

TCU operates one of the most geographically dispersed branch networks in Australia, with locations spanning some of the most remote and culturally rich regions of the Northern Territory. From the red dust of the Barkly to the coastal communities of East Arnhem Land, our branches are not only vital financial lifelines—they are also embedded in some of the most breathtaking landscapes in the country. Many of our locations, including Milingimbi, Ramingining, and Numbulwar, are accessible only by air or long unsealed roads, and become completely isolated during the wet season. This makes the operational window for travel and servicing narrow, requiring careful planning and deep local knowledge.

Over the year, I personally visited branches in Gunbalanya, Katherine, Ngukurr, Milingimbi, Galiwinku, Numbulwar, and Wurrumiyanga on the Tiwi Islands - covering thousands of kilometres by road and many hours in small aircraft. These visits were not only a chance to connect with our dedicated staff but also a great opportunity to meet with community partners and locals alike. Visiting communities and seeing the difference that TCU makes is a real privilege but also a powerful reminder of the resilience and commitment that defines our team. I am pleased to share photos from these visits throughout this report, showcasing the people and places that make TCU's mission so unique and essential.

CREATING EMPLOYMENT PATHWAYS

We have trained and offered employment to over 1,000 Indigenous people in our history, creating employment pathways that extend far beyond banking. From teller roles to senior management, our team is living proof that talent thrives when nurtured in the community.

Jobs provide economic empowerment in remote communities. More jobs mean more economic self-determination.

Once trained by TCU our staff often move to other more senior roles with other employers within communities.

INVESTING IN OUR PEOPLE

In 2024/25, we launched a partnership with the Australian Institute of Management (AIM), enabling TCU staff to undertake formal qualifications and leadership development. Supported by internal mentors, this initiative is helping our people progress their careers and build capacity within their communities.



TCU Chief Risk Officer Alex Porrovecchio (middle left) was a Finalist in the COBA Emerging Leader Awards pictured here with CEO Simon Lyons (left), COBA CEO Mike Lawrence (middle right) and TCU and COBA Board Member Elsbeth Torelli (Right).

EXECUTIVE MANAGEMENT TEAM

We also restructured internally to form a unified Executive Management Team, fostering a collaborative approach to daily operations and strategic delivery. This has allowed us to accelerate the change management agenda we have adopted to improve the way we serve our members.

Pictured from left: Joelene Seden (Manager People & Culture), Joanne Davies (Financial Controller), Simon Lyons (CEO), Jim Dracopoulos (CFO), Alex Porrovecchio (CRO), Deb Say (Lead Learning & Development), and Luke Cousins (COO).



TCU STRATEGIC FOCUS

Our Vision

To empower indigenous communities to achieve:

- » economic independence
- » cultural pride
- » a stronger future

All the while delivering trusted, sustainable and essential banking services

Our Mission

To provide culturally respectful financial services that:

- » empower communities
- » create employment
- » foster pride and resilience

Economic Self-Sufficiency

TCU plays a critical role in fostering economic empowerment by providing essential banking services in remote areas. We help people to take control of their finances and assist them with more than just their banking needs.

Promoting Financial & Digital Inclusion

At TCU, we address the stark gap in financial and digital literacy within remote indigenous communities by offering personalised, face-to-face services and culturally tailored programs.

Digital-only solutions do not work here where there is often no signal, no internet, no computers, no formal ID and people often share devices.

Driving Employment & Skills Development

TCU is one of the largest employers of Indigenous people in remote communities. We've equipped hundreds of individuals with valuable skills, creating career pathways and leadership opportunities that have lasting impact.

Culturally Led Advocacy & Trust

With the majority of our board and workforce being Indigenous, TCU is uniquely positioned to better advocate for better outcomes for Indigenous people.

Our deep cultural understanding builds trust and fosters relationships that go beyond transactions.

OUR VALUES

Cultural Respect



Pride in Service



Trust & Integrity



Community Empowerment



Sustainability & Growth



Leadership through Advocacy



OUR CHALLENGES & HOW WE MEET THEM



ADVOCACY & ALLIANCE

This year, we amplified our voice in Canberra to advocate for better outcomes for Indigenous consumers in remote communities and to tell the TCU story. I was joined by Bunug Galaminda and John Rawnsley as we held 22 meetings over three days. We spoke with Members from all sides of politics and held productive meetings with the Minister for Indigenous Affairs Senator the Honourable Malarndirri McCarthy, as well as The Honourable Marion Scrymgour MP the Special Envoy for Remote Communities. We also met with senior Treasury officials and the senior team from Services Australia for whom we manage the eIM Smartcard program.



From Left: John Rawnsley and Bunug Galaminda

We joined the Regional Banking Investment Alliance (RBIA), a coalition fighting to keep branches alive in regional Australia. I have shared in recent media interviews, that the closure of regional bank branches is not just inconvenient - it is a threat to community cohesion and economic participation.

TCU stands as a for-purpose organisation, committed to reversing this trend and ensuring that banking remains an essential service for all Australians regardless of their location. More information can be found at www.rbialliance.com.au

We are an active member of the Arnhem Aboriginal Business Council (AABC). The AABC is a regional advocacy body established in 2020 to represent and support Aboriginal-owned businesses across Arnhem Land, the Gove Peninsula, and the Groote Archipelago. Its mission is to foster a prosperous and thriving economic environment by:

- » Promoting collaborative and effective trade among Aboriginal businesses and with external partners.
- » Acting as a collective voice in engagement with government, industry, and advisory bodies.
- » Supporting socially responsible and sustainable enterprises that create local Indigenous employment, training, and skills development opportunities.



From Left: John Rawnsley, Simon Lyons, Senator the Hon Malarndirri McCarthy, Bunug Galaminda

TCU is also a proud member of the Customer Owned Banking Association (COBA) and we have received terrific support through the year from COBA's Mutual Support Network that assists smaller mutuals. As a member of COBA, TCU benefits from strong sector advocacy, regulatory support, and access to collaborative initiatives that align with our mission. COBA represents mutual banks and credit unions nationally, engaging with regulators like APRA and ASIC to shape policy and provide practical guidance. Through COBA, TCU contributes to and benefits from sector-wide efforts in financial inclusion, Indigenous engagement, and governance reform - reinforcing our commitment to culturally appropriate, community-led banking. We visited the COBA office whilst in Canberra.



From Left: Simon Lyons and Bunug Galaminda visiting the COBA office in Canberra

TCU was also well represented at the COBA CEO & Director Forum, as well as the COBA Annual conference. These are good opportunities to meet with vendors who supply services to us as well as to get to discuss issues that impact the sector. This year TCU was also invited to present to COBA members during reconciliation week. We presented on "Strengthening Financial Services to First Nations People". This was a great opportunity to share the TCU story with the broader industry. Again, I was joined by our Director Bunug Galaminda to tell the TCU story.

TCU was also invited to present our story to the staff of Australian Payments Plus (AP+), the country's integrated domestic payments organisation, formed by the merger of BPAY Group, eftpos, and NPP Australia. As a member-owned entity, AP+ plays a central role in Australia's financial infrastructure, delivering payment solutions that support innovation, security, and public interest. The organisation employs over 1,100 staff and is an important participant in financial services in Australia. We have since moved on to form an alliance with AP+ that has seen them share a number of resources with us in the form of training for our Board, project management assistance, and mentoring for some of our staff.

ENHANCED INCOME MANAGEMENT SMARTCARD (SMARTCARD) SERVICES

The SmartCard program is a voluntary initiative designed to help individuals receiving income support payments better manage their finances, with the goal of ensuring essential needs like housing and food are met for themselves and their families. By allocating a portion of payments to a SmartCard that restricts spending on non-essential items, the program encourages responsible budgeting and supports financial stability in everyday life.

TCU continued its contract with Services Australia to deliver this program in the Northern Territory. Our role in this program ensures that remote communities have access to secure, regulated financial services tailored to their needs, allowing our customers to budget effectively and look after their families. Most pleasingly the number of participants calling TCU for this service grew by over 20% in this financial year, reflecting the popularity of this voluntary government initiative.

GRATITUDE

TCU would not exist without the dedication and passion of our staff and the trust of our customers. We also would not continue to exist without the support of many partners who often provide services to us at low cost or no cost. We want to thank businesses like PKF Merit, KPMG, GRC Solutions, Drova, Intuit Technologies, Australian Payments Plus, Ultradata, Indue, Experteq, Murrinhpatha Nimmipa Store, West Arnhem, East Arnhem and Roper Gulf Regional Councils and the Australian Institute of Management – thank you. Together, we are making a difference in the lives of many, and we will continue to do so with your strong support.

In many of the communities in which we operate we have ATM machines located in the stores of the Arnhem Land Progress Aboriginal Corporation (ALPA). ALPA is Australia's largest Indigenous-owned corporation, operating as a not-for-profit across 27 remote communities in the Northern Territory and Far North Queensland.

Founded in 1972 as a co-operative of community stores, ALPA now delivers a wide range of services including remote retail, employment and training programs, community development, and enterprise support. ALPA is committed to creating economic independence and strengthening communities through culturally grounded, community-led initiatives and is a strong supporter of TCU and has been over thirty years. We thank ALPA for the continuing support and assistance in providing our services to remote communities.

LOCAL MARKETING & PROMOTION

Several staff participated in a wide variety of local events to share the TCU story and encourage people to consider working for TCU. Joeline Seden and the HR team have attended the Black Coffee events in Darwin where indigenous businesses can come together to network and share information and resources.

We attended a wide variety of Employment and Career Expos where our HR team really shone in talking to young indigenous people who are interested in working in financial services.

We were also active in promoting TCU running a series of radio advertisements that were played on TEABBA radio. TEABBA Radio (Top End Aboriginal Bush Broadcasting Association) is Australia's largest remote Indigenous media organisation, broadcasting 24/7 to 29 remote communities across the Top End of the Northern Territory.



Based in Darwin, TEABBA was established to support local broadcasting through the Remote Indigenous Broadcasting Service (RIBS), providing culturally relevant content in local languages and music styles. It plays a vital role in community communication, training, and technical support, ensuring that even the most remote communities stay connected and informed.

Our first advertisement was recorded in Yolgnu Matha and have been playing across the Top End. We plan to produce a further series of advertisement in other languages that are spoken in the communities that we operate in.

Our Depositors are protected.

TCU is an authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority (APRA). As such our depositors are protected under the Financial Claims Scheme (FCS). Under the FCS, the Government guarantees deposits with TCU up to a cap of \$250,000 per account-holder, per Authorised deposit-taking institution.





TEAM MILESTONES

Work Anniversaries

This financial year celebrated some significant milestones for several members of our team

- » Jo Davies | Casuarina Head Office, 27 years
- » Roslyn Wunungmurra | Casuarina Head Office, 23 years
- » Raina Rogers | Ngukurr Branch, 22 years
- » Jennifer Yalmul | Milingimbi Branch, 15 years
- » Raelene Gaykamangu | Casuarina Head Office, 14 years
- » Anne Marie Nundirribala | Numbulwar Branch, 12 years
- » Joeline Seden | Casuarina Head Office, 12 years
- » Reagan De Vera | Casuarina Head Office, 10 years
- » Phillip Wasaga | Warruwi Branch, 10 years (retired, June 2025)
- » Lisa Ngurruwuth | Gapuwiyak Branch, 7 years
- » Arlene Wanybarrnga | Ramingining Branch, 7 years
- » Tanya Johnson | Casuarina Head Office, 5 years
- » Zelda Guyula | Gapuwiyak Branch, 5 years

We'd like to commend each and every one of you on your remarkable dedication and service. Your commitment has made a truly lasting impact.

RECOGNITION – JOANNE DAVIES LONG TERM EMPLOYMENT

Joanne Davies continued in her wonderful career with TCU and was promoted to the position of Financial Controller. Jo's passion for TCU since joining as a Member Services Officer over 27 years ago has never faded. Her depth of knowledge across all aspects of our business is second to none and she is a fantastic asset for TCU.



I first joined TCU in 1997 as a Member Service Officer in Darwin.

Over the past 27 years, I've had the privilege of growing through a variety of roles - Branch Coordinator, Payroll Officer, Loans Officer, Head Office Coordinator, and Accounts - before stepping into financial management.

Each chapter of my journey has been shaped by the unwavering support and mentorship I've received from TCU. As a long-time Darwin local, having lived in the Territory since I was 13, I'm deeply grateful for the opportunities TCU has given me to build a meaningful career in banking while raising my two sons. From study encouragement to maternity leave and beyond, the support from my leaders and colleagues has been nothing short of extraordinary. TCU truly feels like my second family.

One of the most pivotal moments in my career was when TCU's first in-house accountant handed me a CDU enrollment letter - one she had written herself - and encouraged me to pursue my accounting degree. That act of belief sparked a journey of professional growth that continues today as I work toward becoming a CPA.

Now, in my new role as a senior executive, I'm excited to pay that encouragement forward. I look forward to mentoring and inspiring staff across TCU to seize the opportunities available for training and development. I would love to see others follow a similar path - and I know they won't regret it. Working at TCU has been an eventful, challenging, and deeply rewarding journey. I'm proud of how far we've come together, and I'm energised by what lies ahead. ~ Joanne Davies



4WD TRAINING FOR TCU STAFF

TCU runs a two-day intensive 4WD training course for all staff who drive a TCU vehicle. It is vital that our team is confident and capable on remote and varied terrain.

Staff learn key off-road skills, including tyre changes, bog recovery, and safe driving techniques across varied driving conditions.

Furthermore, the team learn how to prepare the car for remote travel, do all the safety checks and making sure they have the right equipment, first aid supplies etc to get them out of a jam should it occur.

Work health and safety is not just a legal requirement for TCU, it is a responsibility we all share. When we protect our people, we protect the heart of our organisation. Driving remotely is probably the most dangerous thing that any of our staff may experience and we put safety first at all times.

The good news is our staff love the training as you can see from the feedback we received:



"The 4WD course was a fantastic experience. It was a great mix of fun and learning. I picked up practical skills for off-road driving and vehicle recovery and really enjoyed the hands-on challenges"

Poppy - Coordinator, Employee Services

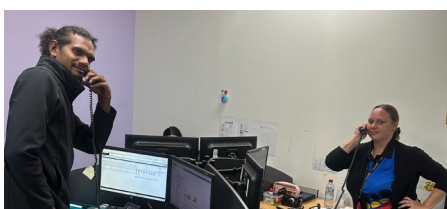
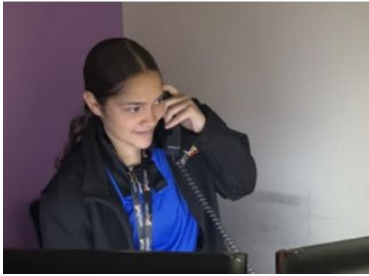


"The 4WD course was so amazing, the experience I got on dirt roads and off-road, through sand, mud and through water ways was very exciting and fun, of course. I had to get to know everyone on the course and we learned from each other. We were like family, and we all had a great two days on the course. I'm happy that I had my 4WD driving course. Thank you to TCU for organising the 4WD course, it was a great opportunity to learn new skills. Once in a lifetime, really - I loved it." Ros - Relief Coordinator TCU



A YEAR TO REMEMBER





LOOKING AHEAD

In financial year 2025/26, we will continue to:

- » Expand our training and employment programs;
- » Advocate for Indigenous financial inclusion at the national level;
- » Strengthen our digital platforms while maintaining face-to-face services;
- » Find other sources of income to support the employment and training of Indigenous Australians; and
- » Deepen partnerships that align with our values and purpose.

Simon Lyons
Chief Executive Officer

DIRECTORS' REPORT

The Directors present their report together with the financial report of Traditional Credit Union Limited (TCU or the Credit Union), for the year ended 30 June 2025 and the Auditor's Report thereon.

CORPORATE INFORMATION

TCU is an Australian Public Company and registered under the Corporations Act 2001 (ABN 50 087 650 922). It is a mutual entity with the core purpose of benefiting its Members. TCU is an Authorised Deposit-taking Institution (ADI) supervised by the Australian Prudential Regulation Authority (APRA) under the Banking Act 1959. TCU is also supervised by the Australian Securities & Investments Commission (ASIC) under the Corporations Act 2001, and holds an Australian Financial Services Licence and a Credit Licence.

DIRECTORS

The names and details of the Directors of the Credit Union in office during the financial year are as follows. Directors were in office for this entire period unless otherwise stated.

- » Iain Summers
- » David Djalangi
- » Bunug Galaminda
- » Lily Roy
- » Peter Djumbu
- » Sharyn Innes
- » David Knights
- » Elsbeth Torelli
- » John Rawnsley – from January 2025
- » James Woods – from May 2025

PRINCIPAL ACTIVITIES

The principal activity of the Credit Union during the year was the provision of a range of financial products and services to Members and customers. There has been no significant change in these activities during the year ended 30 June 2025.

DIVIDENDS

The Credit Union's Constitution prohibits the payment of dividends on Member shares.

STATE OF AFFAIRS

In the opinion of the Directors, there have been no significant changes in the state of affairs of the Credit Union that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

There are no transactions or events of a material nature likely, in the opinion of the Directors, to affect significantly the operations of the Credit Union, the results of those operations, or the state of affairs of the Credit Union, in the subsequent financial year.

LIKELY DEVELOPMENTS

Further information as to likely developments in the operations of the Credit Union and the expected results of those operations in subsequent financial years has not been included in this report because disclosure of such information is likely to be prejudicial to the Credit Union.

DIRECTOR'S INTERESTS

None of the above Directors have declared any interest in existing or proposed contracts with the Credit Union during the financial year ended 30 June 2025 and to the date of this report.

DIRECTOR'S BENEFITS

During or since the financial year no Director of the Credit Union has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments paid or payable to the Directors shown in the accounts, by reason of a contract entered into by the Credit Union or a body corporate that was related to the Credit Union when the contract was made or when the director received, or became entitled to receive, the benefit with:

- » A Director, or
- » A firm of which a Director is a member, or
- » An entity in which a Director has a substantial financial interest.

DIRECTOR'S INDEMNIFICATION & INSURANCE

During the year, a premium was paid in respect of a contract insuring Directors and Officers of the Credit Union against liability. The Officers of the Credit Union covered by the insurance contract include the Directors, Executive Officers, Company Secretary and Employees.

In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract. No insurance cover has been provided for the benefit of the Auditors of the Credit Union.

DIRECTOR'S MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director was as follows:

Directors	Eligible to Attend Board Meetings	Attended Board Meetings	Eligible to Attend Committee* Meetings	Attended Committee* Meetings
David Djalangi	4	3	4	2
Bunug Galaminda	4	4	4	4
David Knights	4	4	16	15
Iain Summers	4	4	16	16
Elsbeth Torelli	4	4	16	16
Sharyn Innes	4	4	11	8
Lily Roy	4	2	4	2
Peter Djumbu	4	2	4	2
John Rawnsley	2	2	2	2
James Woods	1	1	1	1

* Committees include - Board Audit & Finance Committee, Board Risk Committee and Governance, Remuneration & Nominations Committee (The Board Governance, Remuneration & Nominations Committee members are all Directors and the frequency of meetings of the committee is determined by the Board of Directors. The Board, Board Audit & Finance Committee and Board Risk Committee each have four scheduled meetings per year.)

OUR FINANCIAL PERFORMANCE 2024/2025

Profit after Tax	\$ 0.2m
Total Assets	\$ 19.7m
Total Liabilities	\$ 8.8m
Total Deposits	\$ 6.4m



AUDITORS' INDEPENDENCE DECLARATION

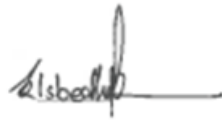
A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached as a separate document.

Signed in Darwin this 30th day of September 2025

in accordance with a resolution of the Board of Directors of Traditional Credit Union.

A handwritten signature in black ink, appearing to read "J Rawnsley".

John Rawnsley
Chair

A handwritten signature in black ink, appearing to read "Elsbeth Torelli".

Elsbeth Torelli
Director

Auditors Independence Declaration to the Directors of Traditional Credit Union Limited

In relation to our audit of the financial report of Traditional Credit Union Limited for the financial year ended 30 June 2025, 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.



PKF Merit



Matthew Kennon
Partner

Darwin

30 September 2025

Financial Statements

for the year ended 30 June 2025

Statement of Comprehensive Income	21
Statement of Financial Position	22
Statement of Changes in Equity	23
Statement of Cash Flows	24
Notes to the Financial Statements	25
Directors' Declaration.....	45
Independent Audit Report to the Members of Traditional Credit Union Limited	46

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2025

	Note	2025 \$	2024 \$
Interest income		760,004	844,048
Interest expense		158,038	213,041
Net interest income		601,966	631,007
Non-interest income	3	8,746,719	8,807,764
Net income before expenses		9,348,685	9,438,771
Depreciation and amortisation expense	4(a)	204,094	186,310
Salaries and related expenses	4(b)	4,029,681	4,165,827
Other expenses	4(c)	4,863,007	3,466,388
Total expenses		9,096,782	7,818,525
Profit before income tax		251,902	1,620,246
Income tax expense	5	62,975	405,061
Profit for the year		188,927	1,215,185
Other comprehensive income		-	-
Total comprehensive income attributed to Members		188,927	1,215,185

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2025

		2025 \$	2024 \$
ASSETS			
Cash and cash equivalents	7	5,296,232	5,571,351
Trade and other receivables	8	866,750	469,092
Investments	9	12,470,689	12,462,679
Loans and advances	10	138,839	111,094
Current tax receivable	6(a)	83,130	-
Deferred tax assets	6(b)	263,421	210,071
Property, plant and equipment	11	303,420	395,582
Other assets	12	236,100	270,416
Total assets		19,658,580	19,490,285
LIABILITIES			
Trade and other payables	13	1,628,486	865,338
Deposits	14	6,362,411	6,771,374
Current tax payable	6(a)	-	255,747
Provisions	15	594,260	551,601
Lease liabilities	16	193,728	355,457
Total liabilities		8,778,885	8,799,517
Net assets		10,879,695	10,690,768
EQUITY			
Redeemed preference share reserve	17	60,788	57,318
Retained earnings		10,818,907	10,633,450
Total equity		10,879,695	10,690,768

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

	Redeemed Preference Share Reserve \$	Retained Earnings \$	Total \$
Opening balance at 1 July 2024	57,318	10,633,449	10,690,767
Profit attributable to Members of the entity	-	188,927	188,927
Transfer from retained earnings to reserves	3,470	(3,470)	-
Closing balance at 30 June 2025	60,788	10,818,906	10,879,694

Opening balance at 1 July 2023	54,322	9,421,260	9,475,582
Profit attributable to Members of the entity	-	1,215,185	1,215,185
Transfer from retained earnings to reserves	2,996	(2,996)	-
Closing balance at 30 June 2024	57,318	10,633,449	10,690,767

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



STATEMENT OF CASH FLOWS

for the year ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Fees received		4,486,231	4,653,468
Other income received		3,813,519	4,529,377
Interest received		779,315	822,159
Net decrease in on-call deposits and withdrawable members' shares		(416,972)	(2,700,281)
Net increase in loans and advances		(27,745)	(63,133)
Payment to employees and suppliers		(8,024,211)	(7,296,553)
Interest paid		(186,390)	(177,970)
Income tax paid		(455,202)	(688,488)
Net cash used by operating activities	18	(31,455)	(921,421)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from investments		1,843,990	1,142,424
Payment for property, plant and equipment and intangibles		(111,933)	-
Proceeds from sale of property plant and equipment		30,000	-
Net cash provided from investing activities		1,762,057	1,142,424
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in term deposits		8,009	5,576
Payment of lease liabilities		(161,729)	(166,642)
Net cash used by financing activities		(153,720)	(161,066)
Net increase in cash and cash equivalents held		1,576,883	59,937
Cash and cash equivalents at beginning of financial year		15,021,349	14,961,412
Cash and cash equivalents at end of financial year	7	16,598,232	15,021,349

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The financial statements of Traditional Credit Union Limited (the "Credit Union") for the year ended 30 June 2025 were authorised for issue on 30th of September 2025 in accordance with a resolution of the directors.

The Credit Union is domiciled in Australia.

The Credit Union is primarily involved in the provision of a range of financial products and services to members. There was no significant change in the nature of these activities during the year.

The registered office and principal place of business is 9 Rowling Street, Casuarina, Northern Territory, Australia 0810.

2 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been consistently applied by the Credit Union unless otherwise stated.

2.1 Basis of preparation

(a) Statement of compliance

The financial statements are general purpose financial statements which has been prepared in accordance with Australian Accounting Standards ("AAS"), including Australian Accounting Interpretations, adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The Credit Union is a for-profit entity for the purpose of preparing these general-purpose financial statements.

(b) Basis of measurement

The financial statements have been prepared in accordance with the historical cost convention.

The financial statements have been prepared on a going concern basis.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, and all values have been rounded to the nearest dollar.

(d) Comparative figures

Certain items have been reclassified from the Credit Union's prior year financial report to conform to the current period's presentations.

(e) Use of judgements and estimates

The preparation of the Credit Union's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of income, expenses, assets and liabilities. The estimates and associated assumptions are 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 Credit Union.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

» Note 2.5 (a)	Deferred tax assets
» Note 2.7 (c) (i)	Impairment of loans and receivables
» Note 2.8	Property, plant and equipment
» Note 2.9	Impairment of non-financial assets
» Note 2.11	Provisions

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.2 New accounting standards and interpretations

(a) Standards and interpretations adopted during the year ended

The Credit Union has adopted any relevant new standards and interpretations which are effective for the annual period beginning 1 July 2024. These standards and interpretations had no financial reporting impact to the Credit Union.

(b) Standards and interpretations issued but not yet effective

A number of new amendments and interpretations to standards are effective for annual periods beginning after 1 July 2025 and have not been applied in preparing these financial statements.

The Credit Union has elected not to early adopt any other standards, interpretations or amendments that have been issued but not yet effective. These are not expected to have a material financial reporting impact on the Credit Union.

2.3 Revenue recognition

The Credit Union recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Credit Union. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(a) Interest revenue

Interest is recognised as it accrues using the effective interest rate ("EIR") method. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(b) Fees and commissions

Fees and commissions are recognised on an accrual basis when control of a right to be compensated for services is attained, which is usually upon provision of services.



NOTES TO THE FINANCIAL STATEMENTS

2.3 Revenue recognition (continued)

(c) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. Other revenue includes payment for services provided to Services Australia.

(d) Government grants

Grant revenue is recognised when control of the grant is obtained, it is probable that the economic benefits gained from the grant will flow to the Credit Union, and the amount of the grant can be measured reliably.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as revenue over the periods necessary to match the grant to the expenses which they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight line basis. Any unexpended grants are recognised as liability in the Statement of Financial Position. No grants have been received by the Credit Union since 2018.

2.4 Leases

The Credit Union considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Credit Union assesses whether the contract meets three key evaluations which are whether:

1. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Credit Union;
2. the Credit Union has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
3. the Credit Union has the right to direct the use of the identified asset throughout the period of use. The Credit Union assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

In contracts where the Credit Union is a lessee, the Credit Union recognises a right-of-use asset and a lease liability at the commencement date of the lease or upon a commitment to extend an existing lease, unless the short-term or low-value exemption is applied.

Right-of-use asset

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to be the condition required by the terms and conditions of the lease.

In the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been presented as a separate line item.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the weighted average incremental borrowing rate. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2.5 Income taxes and other taxes

(a) Income taxes

The income tax expense comprises current and deferred tax.

Current income tax expense charged to the Statement of Comprehensive Income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects the movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (income) is charged or credited directly to equity instead of the Statement of Comprehensive Income when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



NOTES TO THE FINANCIAL STATEMENTS

2.5 Income taxes and other taxes (continued)

(b) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). 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 are stated inclusive of GST. The net amount of GST recoverable from, or payable to the ATO, is included as part of receivables or payables in the Statement of Financial Position.

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

2.6 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand and deposits held at call with Approved Deposit Taking Institutions ("ADIs") which are readily converted to cash, and which are subject to an insignificant risk of change in value. All other investments with future maturity dates and readily converted to cash are included in the Investments. Cash and cash equivalents are stated at the gross value of the outstanding balance.

For the purposes of the Statement of Cash Flows the cash and cash equivalents consist of cash and cash equivalents as defined above.

2.7 Financial assets

(a) Initial recognition and measurement

Financial assets are recognised when the Credit Union becomes a party to the contractual provisions of the instrument. For financial assets this is the equivalent to the date that the Credit Union commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial assets are initially recognised at fair value plus directly attributable transactions costs, with the exception of financial assets at fair value through Statement of Comprehensive Income.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

1. Financial assets at amortised cost (Loans & receivables and investments)
2. Financial assets designated at fair value through Statement of Comprehensive Income ("FVOCI")

The Credit Union does not have financial assets at fair value through profit and loss or derivative financial instruments.

(i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise of deposits held with other ADIs, term loans to members, members' overdrawn savings accounts and sundry debtors.

Loans and receivables are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method, net of any provision for impairment losses.

The EIR method is used to allocate interest income or expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees and other transaction costs) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in Statement of Comprehensive Income.

(ii) Investments at amortised cost

Investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and the intention is to hold these investments to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity are subsequently measured at amortised cost using the EIR method. Gains or losses are recognised in Statement of Comprehensive Income through the amortisation process and when the financial asset is derecognised. Investments of the Credit Union include term deposits, refer to Note 9.

(c) Impairment of financial assets

At the end of the reporting period the Credit Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original EIR.

(i) Loans and receivables

Impairment on loans and receivables is reduced through the use of provision accounts, all other impairment losses on financial assets at amortised cost are taken directly to the Statement of Comprehensive Income.

Expected credit losses

The Credit Union recognises an allowance for expected credit losses (ECLs) for loans and advances and trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Credit Union expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



NOTES TO THE FINANCIAL STATEMENTS

2.7 Financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For loans and advances and trade and other receivables, the Credit Union applies a simplified approach in calculating ECLs. Therefore, the Credit Union does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Credit Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Credit Union considers a trade and other receivable in default when contractual payments are 30 days past due. However, in certain cases, the Credit Union may also consider a financial asset to be in default when internal or external information indicates that the Credit Union is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Credit Union. A loan and advance and trade and other receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

(d) Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the Credit Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed, is recognised in Statement of Comprehensive Income.

2.8 Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Fixed assets are measured at cost less accumulated depreciation and impairment losses. The threshold to capitalise property, plant and equipment is \$10,000.

Depreciation

The depreciable amount of all fixed assets including any buildings and capitalised leased assets, but excluding any freehold land, is depreciated predominantly on a straight-line basis over the asset's useful life to the Credit Union commencing from the time the asset is held ready for use. However, certain assets have been depreciated on a diminishing value method over the assets' useful lives.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable asset are shown below:

- » Motor vehicles (3 - 5 years)
- » Leasehold improvements 'the lease term'
- » Right-of-use assets 'the lease term'

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

2.9 Impairment of non-financial assets

At the end of each reporting period the Credit Union determines whether there is any evidence of an impairment indicator for property, plant and equipment. If any indication exists, the Credit Union estimates the asset's recoverable amount. The recoverable amount of an asset or cash generating unit ("CGU") is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit. Where assets do not operate independently of other assets, the recoverable amount of the relevant CGU is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in Statement of Comprehensive Income. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

2.10 Financial liabilities

Financial liabilities are recognised initially on the trade date at which the Credit Union becomes party to the contractual provision of the instrument. Non-derivative financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Financial liabilities of the Credit Union consist of trade and other payables, deposits and Members' shares.

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method. The Credit Union derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Gains or losses are recognised in Statement of Comprehensive Income through the amortisation process and when the financial liability is derecognised.

Financial liabilities are classified as current liabilities unless the Credit Union has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.



NOTES TO THE FINANCIAL STATEMENTS

2.10 Financial liabilities (continued)

(a) Deposits

Interest on deposits is calculated on the daily balance and posted to the accounts periodically, or on maturity of the term deposit. Interest on deposits is calculated on an accrual basis. The amount of accrual is shown as a part of trade and other payables.

(b) 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 Credit Union during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within thirty days of recognition of the liability.

(c) Members' share deposits

Share deposits are classified as liabilities and shown under 'Deposits' as they can be converted from withdrawable shares into cash at any time when the member has discharged all their obligations to the Credit Union.

2.11 Provisions

Provisions are recognised when the Credit Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Employee benefits

(a) Short-term employee benefits

Liabilities for wages and salaries and accumulated leave entitlements which are expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. The benefit is measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits are presented as current liabilities in the Statement of Financial Position if the Credit Union does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(b) Long-term employee benefits

Employee benefits expected to be settled more than twelve months 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 corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the Statement of Comprehensive Income.



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
3 NON-INTEREST INCOME		
Other non interest income		
Revenue from fees and commission	4,486,231	4,653,468
Other operating revenue	4,260,488	4,154,296
Total non interest income	8,746,719	8,807,764
4 EXPENDITURE		
(a) Depreciation and amortisation		
Depreciation	204,094	186,310
Total	204,094	186,310
(b) Salaries and related expenses		
Salaries and wages	3,428,738	3,449,477
Superannuation	406,182	400,408
Other expenses	14,485	144,071
Total employee benefits	3,849,405	3,993,956
Payroll tax	171,572	161,262
Workers compensation insurance	8,704	10,609
Total	4,029,681	4,165,827
(c) Other expenses		
Administration	379,906	378,357
Internal & external audit fees	142,078	162,296
Information technology costs	1,990,021	1,100,819
Fees and commission	664,524	687,215
Insurance	344,187	371,568
Marketing and promotion	23,262	-
Other occupancy costs	379,017	175,886
Short-term leases	192,021	184,506
Travel and accommodation	382,779	323,374
Other	365,212	82,366
Total	4,863,007	3,466,387



NOTES TO THE FINANCIAL STATEMENTS

2025	2024
\$	\$

5 INCOME TAX EXPENSES

(a) The components of tax expenses comprise:

Current income tax expense	116,325	455,197
Deferred tax relating to origination and reversal of temporary differences	(53,349)	(50,136)
Total income tax expense	62,976	405,061

(b) Reconciliation of income tax to accounting profit

A reconciliation of income tax expense to prima facie tax payable are as follows:

Profit before tax	251,902	1,620,246
Tax at the tax rate of 25.0%	62,976	405,061
Income tax expense	62,976	405,061



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
6 CURRENT AND DEFERRED TAX		
(a) Current tax asset (liabilities)		
Current tax receivable / (payable)	83,130	(255,747)
(b) Deferred tax assets		
The movement in deferred tax assets for each temporary difference is as follows:		
Receivables		
Opening balance	(36,175)	(30,703)
Credited to / (debited from) the Statement of Comprehensive Income	4,828	(5,472)
Closing balance	(31,347)	(36,175)
Payables and accruals		
Opening balance	130,826	71,230
(Debited from) / credited to the Statement of Comprehensive Income	(9,925)	59,596
Closing balance	120,901	130,826
Doubtful debts		
Opening balance	7,571	6,989
(Debited from) / credited to the Statement of Comprehensive Income	(82)	582
Closing balance	7,489	7,571
Employee entitlements		
Opening balance	137,900	101,309
Credited to the Statement of Comprehensive Income	10,665	36,591
Closing balance	148,565	137,900
Accelerated capital allowance for tax purposes		
Opening balance	(30,051)	11,110
Credited to / (debited from) the Statement of Comprehensive Income	47,864	(41,161)
Closing balance	17,813	(30,051)
Total deferred tax assets	263,421	210,071



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
7 CASH AND CASH EQUIVALENTS		
Cash on hand	691,250	483,300
Deposits at call	4,604,982	5,088,051
Total	5,296,232	5,571,351
(a) Reconciliation of cash		
Cash and liquid assets	5,296,232	5,571,351
Held-to-maturity investments – short term	11,302,000	9,450,000
Balance as per Statement of Cash Flows	16,598,232	15,021,351
8 TRADE AND OTHER RECEIVABLES		
Interest receivable	125,388	144,699
Other receivables	741,362	324,393
Total	866,750	469,092
All trade and other receivables balance are currently within accepted trading terms.		
9 INVESTMENTS		
(a) Investments		
Investments at amortised cost	12,470,689	12,462,679
Total	12,470,689	12,462,679
Held-to-maturity investments are held with Australian Banks and an Australian registered ADI.		
(b) Maturity analysis		
No longer than 3 months	11,302,000	9,450,000
Longer than 3 months and not longer than 6 months	1,078,364	2,925,725
Longer than 6 months	90,325	86,954
Total	12,470,689	12,462,679
10 LOANS AND ADVANCES		
(a) Details		
Term loans to third parties	96,687	68,073
Overdrawn accounts	80,156	73,302
	176,843	141,375
Provision for expected credit losses (ECLs)	(38,004)	(30,281)
Total	138,839	111,094



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
10 LOANS AND ADVANCES (continued)		
(b) Term loans maturity analysis		
The following details the Credit Union's loans and advances exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and ECLs provision provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed with the customer or counter party to the transaction. Loans and advances that are past due are assessed for ECLs by ascertaining solvency of the members and are provided for where there is objective evidence indicating that the debt may not be fully repaid.		
No longer than 3 months	93,857	73,301
Longer than 6 months not longer than 1 year	19,601	-
Longer than 1 year and not longer than 5 years	63,385	68,073
Total	176,843	141,374
(c) Ageing of loans and advances		
0 - 30 days	45,986	40,951
31 - 60 days	-	3,450
61 - 90 days	31,181	16,420
Over 90 days	99,676	80,555
Total	176,843	141,376
All over 60 days overdue accounts were included in the provision for ECLs		
(d) Provision for ECLs		
Past due loans	-	-
Overdue savings accounts	38,004	30,281
Total	38,004	30,281
(e) Movements in provision for ECLs		
Opening balance	30,281	27,954
Bad debts (recovered) / provided for during the year	7,723	2,327
Closing Balance	38,004	30,281
(f) Concentration of risk		
The Credit Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'loans and advances' is considered to be the main source of credit risk. The Credit Union has credit risk exposures in Darwin and remote regional Australia.		
<i>The following credit risk for term loans to third parties in the regions are:</i>		
Darwin	85,266	54,646
Galiwinku	8,027	13,427
Waruwi	3,394	-
Total	96,687	68,073



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
11 PROPERTY, PLANT AND EQUIPMENT		
Motor vehicles		
At cost	275,609	210,399
Accumulated depreciation	(156,794)	(169,190)
Net carrying value	118,815	41,209
Leasehold improvements		
At cost	411,755	411,755
Accumulated depreciation	(411,755)	(411,755)
Net carrying value	-	-
Right-of-use assets		
At cost	340,809	666,333
Accumulated depreciation	(156,204)	(311,960)
Net carrying value	184,605	354,373
Total property, plant and equipment	303,420	395,582

(a) Movements in carrying amounts of property, plant and equipment

	Motor Vehicles	Leasehold Improvements	Right-of-use Assets*	Total
	\$	\$	\$	\$
Balance at 1 July 2024	41,209	-	354,372	395,581
Additions	111,933	-	-	111,933
Disposals	-	-	-	-
Depreciation expense	(34,326)	-	(169,768)	(204,094)
Balance at 30 June 2025	118,816	-	184,604	303,420
Balance at 1 July 2023	64,757	-	176,325	241,082
Additions	-	-	340,809	340,809
Disposals	-	-	-	-
Depreciation expense	(23,548)	-	(162,762)	(186,310)
Balance at 30 June 2024	41,209	-	354,372	395,581

*Right-of-use assets is for head-office building

Most of the fully depreciated assets have been disposed of or are obsolete. The remaining fully depreciated assets which are of low value are removed from the property, plant and equipment register. They are maintained in a portable assets register.



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
12 OTHER ASSETS		
Prepayments	228,792	263,108
Leasehold property bond	7,308	7,308
Total	236,100	270,416
13 TRADE AND OTHER PAYABLES		
Trade & other payables	1,475,894	667,854
GST	81,788	125,447
Accrued interest payable	70,805	72,037
Total	1,628,486	865,338



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
14 DEPOSITS		
Term deposits	2,168,288	2,160,679
Call deposits	4,176,721	4,592,585
Members' shares	17,402	18,110
Total	6,362,411	6,771,374
(a) Maturity analysis		
On call	4,194,123	4,610,695
No longer than 3 months	1,000,000	1,000,000
Longer than 3 months not longer than 6 months	1,077,963	1,073,725
6 months or longer	90,325	86,954
Total	6,362,411	6,771,374
(b) Concentration of deposits (including overdrawn accounts in Note 10)		
Alice Springs	38,226	25,101
Angurugu	295,075	836,635
Borrooloola	5,030	6,478
Darwin	3,385,227	3,043,027
Galiwinku	102,966	143,421
Gapuwiyak	62,014	56,474
Gunbalanya	27,409	49,464
Hermannsburg	-	2,008
Katherine	47,530	33,389
Maningrida	136,767	127,038
Milingimbi	32,076	80,355
Minyerri	17,075	6,981
Ngukurr	149,822	114,791
Numbulwar	44,842	22,044
Ramingining	49,020	69,799
Tennant Creek	46,666	109,747
Wurrumiyanga	68,026	15,426
Wadeye	1,480,594	1,752,042
Warruwi	22,986	30,767
Other	53,926	43,180
eIM Card deposit	199,576	111,796
Total	6,264,853	6,679,963



NOTES TO THE FINANCIAL STATEMENTS

	2025 \$	2024 \$
15 PROVISIONS		
Employee entitlements	419,260	551,601
Make-good on leased properties	175,000	-
Total	594,260	551,601
Analysis of total provisions		
Current – employee entitlements & make-good	460,645	480,237
Non current – employee entitlements & make-good	133,615	71,364
Total	594,260	551,601
16 LEASE LIABILITIES		
Current - lease liabilities	178,028	161,857
Non-Current - lease liabilities	15,700	193,600
Total	193,728	355,457
Amount recognised in the income statement		
Interest on lease liabilities	27,119	8,642
Expenses relating to short-term leases	192,021	184,506
Total	219,140	193,149
Maturity analysis		
One year or less	289,672	308,546
One to five years	30,236	193,600
Total undiscounted contractual cash flows	319,908	502,146



NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
	\$	\$
17 REDEEMED PREFERENCE SHARE RESERVE		
At the beginning of the reporting period	57,318	54,322
Transfer from retained earnings on share redemption	3,470	2,996
At the end of the reporting period	60,788	57,318

Under the Corporations Act 2001 (s254K) redeemable preference shares (members' \$2 shares) may only be redeemed out of the Credit Union's profit or through a new issue of shares for the purpose of the redemption. The Credit Union has transferred the value of members shares redeemed since 1 July 2005 from retained earnings to the redeemed preference share reserve. The value of member shares for existing members is disclosed as a liability in Note 14.

18 NOTES TO THE STATEMENT OF CASH FLOWS

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

Profit for the period	188,927	1,215,185
Adjustments for (non cash flows in profit):		
Depreciation	204,094	186,310
Net gain on sale of property, plant and equipment	(30,000)	-
Change in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(397,656)	353,191
Increase in loans and advances	(27,745)	(63,133)
Decrease in other assets	34,316	26,485
Decrease in deferred tax assets	(53,350)	(50,136)
Increase in income tax receivable	(338,877)	(233,291)
Increase in trade and other payables	763,149	197,888
Decrease in deposits	(416,972)	(2,700,281)
Increase in provision for employee benefits	42,660	146,361
Net cash flows from operating activities	(31,455)	(921,421)



NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL RISK MANAGEMENT

Financial risk management policies

The Credit Union's daily operations are exposed to a range of risks. To manage these risk exposures the Credit Union has a framework to identify risks, quantify the risk exposure, implement procedures to control and mitigate the risks, report risks, and provide ongoing oversight. The Board has a designated Chief Risk Officer and a Board Risk Committee to manage and oversee the risk management framework supported by risk management policies and strategies, internal controls and procedures. A risk register is maintained as part of the risk management framework which enables structured and logical assessment and reporting of identified risks, including their consequences and likelihood and the assessment of risk mitigation controls.

Capital adequacy

The management of the Credit Union's capital is a fundamental part of its risk management process, as an essential element of capital is its availability to absorb future, unexpected and unidentified losses. As part of its risk management process the Credit Union incorporates an assessment of the combined risk exposure for operational, liquidity, market, credit and strategic risk. Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non performance by counterparties of their contractual obligations that could lead to a financial loss to the Credit Union. The Credit Union manages credit risk by having credit worthy investment counterparties and setting limits on the amount of risk it is willing to accept for individuals and related counterparties.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

The Credit Union recognises it has a significant concentration of counterparty credit risk in relation to deposits with banks and authorised deposit-taking institutions, which are detailed in Notes 7 and 9. Loans and advances that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 10.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Credit Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Credit Union has in place information systems and a structured process to monitor and manage liquidity risk. The management process incorporates specific liquidity management policies and processes, and liquidity contingency plans that manage liquidity on a daily basis under normal situations and assumed adverse scenarios. The liquidity management policy requires the holding of surplus funds in high quality liquid assets and the daily calculation of liquid holdings.

The Australian Prudential Regulation Authority's prudential standards place specific management and reporting requirements on the Credit Union in relation to liquidity risk. The prudential standards require the Credit Union to have a defined minimum liquidity holding. The Credit Union exceeded the minimum requirements at all times during the financial year.

The available funds to the Credit Union are disclosed in Note 7.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that they will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances may not equal the balances in the Statement of Financial Position.

Financial liability maturity analysis:

Financial liabilities due for payment	Within 1 year		Over 1 year		Total	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Deposits	6,362,411	6,771,374	-	-	6,362,411	6,771,374
Trade and other payables	1,464,994	675,892	-	-	1,464,994	675,892
Total contractual outflows	7,827,405	7,447,266	-	-	7,827,405	7,447,266

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NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL RISK MANAGEMENT (continued)

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Credit Union does not deal in foreign exchange contracts or commodities, thus market risk consists solely of interest rate risk.

(d) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at year end, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Credit Union is exposed to earnings volatility on floating rate instruments. Interest rate risk is managed by maintaining largely variable rate deposit and loan products. The weighted average interest rates of the Credit Union's interest-bearing financial assets are:

	2025 %	2024 %
Financial assets		
Cash and cash equivalents	4.45	4.00
Short term investments:		
Held to maturity investments	4.78	5.03
Loans receivable	5.16	3.55

Sensitivity analysis

The information below shows the Credit Union's sensitivity to interest rates utilising Earnings at Risk sensitivity calculation (+/-1% change). This analysis assumes that other variables are held constant.

	Equity \$		Profit or loss \$	
	2025	2024	2025	2024
Financial assets + 1%				
Cash in bank	34,537	38,160	34,537	38,160
Loans and advances	1,041	833	1,041	833
Investments	93,530	93,470	93,530	93,470
Financial liabilities				
Deposits	(47,718)	(50,785)	(47,718)	(50,785)
Post tax earnings at risk	81,391	81,678	81,391	81,678
Financial assets - 1%				
Cash in bank	(34,537)	(38,160)	(34,537)	(38,160)
Loans and advances	(1,041)	(833)	(1,041)	(833)
Investments	(93,530)	(93,470)	(93,530)	(93,470)
Financial liabilities				
Deposits	47,718	50,785	47,718	50,785
Post tax earnings at risk	(81,390)	(81,678)	(81,390)	(81,678)



NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL RISK MANAGEMENT (continued)

The post-tax earnings at risk at the end of the reporting period is a measure of the change in the Credit Union's earnings over a full year due to a 1% increase or decrease in interest rates assuming assets, liabilities and capital remain constant over the period. The interest rates on the major proportion of these assets and liabilities can be adjusted in the short-term to minimise any significant impact. The sensitivity analysis is performed on the same basis as the prior period.

Fair market value measurement / fair value estimation

The fair value of the financial assets and liabilities is presented as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The table below provides an analysis of the Credit Union's assets grouped into Levels 1 to 3. The levels are based on the degree to which the fair value is observable and can be compared to their carrying values as presented in the Statement of Financial Position. The fair value for each level is:

- » Level 1 - calculated using quoted prices in active markets
- » Level 2 - estimated using inputs (other than quoted prices included in Level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- » Level 3 - estimated using inputs for the asset or liability that are not based on observable market data

There are no transfers between levels in financial year 2024 and 2025.

Note	Carrying amount	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$

Balance at 30 June 2025

Loans and advances	10	138,839	-	-	138,839	138,839
Held to maturity investments	9	12,470,689	-	12,470,689	-	12,470,689
Total financial assets		12,609,528	-	12,470,689	138,839	12,609,528
Term deposits	14	2,168,288	-	-	2,168,288	2,168,288
Call deposits	14	4,176,721	-	4,176,721	-	4,176,721
Total financial liabilities		6,345,009	-	4,176,721	2,168,288	6,345,009

Balance at 30 June 2024

Loans and advances	10	111,094	-	-	111,094	111,094
Held to maturity investments	9	12,462,679	-	12,462,679	-	12,462,679
Total financial assets		12,573,773	-	12,462,679	111,094	12,573,773
Term deposits	14	2,160,679	-	-	2,160,679	2,160,679
Call deposits	14	4,592,585	-	4,592,585	-	4,592,585
Total financial liabilities		6,753,264	-	4,592,585	2,160,679	6,753,264

The carrying value of loans is net of provision for impairment. All loans have variable rates, therefore the carrying amount at the Statement of Financial Position date bears an interest rate that is within range of normal interest rates on similar loan products in the market and consequently fair value approximates the carrying amount.

The Credit Union assumes that the carrying values approximates the fair value of held-to-maturity investments, as these investments have maturity of less than a year. This assumption is also applied to term deposit liabilities and call deposit liabilities.

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NOTES TO THE FINANCIAL STATEMENTS

20 RELATED PARTY TRANSACTIONS / KEY MANAGEMENT PERSONNEL

The related parties of the Credit Union include:

- » the Key Management Personnel (“KMP”) because they have authority and responsibility for planning, directing and controlling the activities of the Credit Union directly;
- » spouses, children and dependants who are close family members of the KMP; and
- » any entities controlled or jointly controlled by KMP’s or controlled or jointly controlled by their close family members.

KMP include Directors of the Credit Union and Executive Management. The Executive Management include those personnel with a key responsibility for the strategic direction and management of the Credit Union.

The KMP of the Credit Union for the financial year 2025 include the following whose remuneration details are included in the table below.

Directors	Executive Management
B.Galaminda	S. Lyons Chief Executive Officer (from July 2024)
D.Djalangi	J.Dracopoulos Chief Financial Officer / Company Secretary
D.Knights*	A.Porrovecchio Chief Risk Officer (from 5 January 2025)
E.Torelli*	A.Hampton Chief Executive Officer (ceased 5 July 2024)
I.Summers*	
J.Woods	
J.Rawnsley	
L.Roy	
P.Djumbu	
S.Innes*	

* Directors electing not to receive remuneration.

KMP remuneration

	2025	2024
	\$	\$
Short term employee benefits – salaries	627,920	479,358
Directors fees	20,785	18,090
Long term benefits – long service leave	(31,217)	3,261
Post employment benefits – superannuation	62,588	50,036
Total	680,076	550,745

Variable remuneration

No variable remuneration was offered to any employees during the reporting period by the Credit Union, and there is currently no intention to introduce variable remuneration arrangements in the near future.

Two KMPs of the Credit Union have in place personal loans issued during the previous and current financial years at commercial rates with a balance at 30 June 2025 of \$8,697 (2024 \$11,993).

Apart for the transactions identified above, no other related party transactions have occurred during the year.



NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
	\$	\$
21 AUDITOR'S REMUNERATION		
Amounts paid or payable to the external auditors – PKF Merit		
Auditing the financial statements	26,500	26,000
Audit of Australian Financial Services Licence	5,000	4,800
Audit of prudential reports	14,000	13,500
Total	45,500	44,300

22 EVENTS SUBSEQUENT TO REPORTING DATE

No events have occurred between the end of the financial year and the date of this report that require adjustment to or disclosure of these financial statements.

23 BRANCH LOCATION

The Credit Union operates branches across the Northern Territory at the following locations:

- | | |
|--------------|----------------|
| » Darwin | » Minyerri |
| » Galiwinku | » Ngukurr |
| » Gapuwiyak | » Numbulwar |
| » Gunbalanya | » Ramingining |
| » Katherine | » Wurrumiyanga |
| » Maningrida | » Wadeye |
| » Milingimbi | » Warruwi |



DIRECTORS' DECLARATION

The Directors of the Credit Union declare that:

1. The Financial Statements and Notes of the Credit Union for the year ended 30 June 2025 are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position and performance of the Credit Union;
2. In the Directors' opinion, there are reasonable grounds to believe that the Credit Union will be able to pay its debts as and when they become due and payable.

Signed in Darwin this 30th day of September 2025

in accordance with a resolution of the Board of Directors of the Credit Union.

John Rawnsley
Chair

Elsbeth Torelli
Director

Independent audit report to members of Traditional Credit Union Limited**Report on the Audit of the Financial Report**

We have audited the accompanying general purpose financial report of Traditional Credit Union Limited (“the Credit Union”), which comprises the statement of financial position as at 30 June 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising material accounting policy information and other explanatory notes and the directors’ declaration.

In our opinion, the financial report of Traditional Credit Union Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of Traditional Credit Union Limited at 30 June 2025 and of the Credit Union’s performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Credit Union in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the ‘Code’) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors of the Credit Union are responsible for the other information. The other information comprises the information included in the Credit Union’s annual report and the directors report for the year ended 30 June 2025, 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.

The Responsibility of the Directors for the Financial Report

The Directors of the Credit Union 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 Credit Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Credit Union 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 the financial report.

As part of an audit in accordance with 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 Credit Union'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 Credit Union'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 Credit Union 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 those charged with governance 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.

A stylized, handwritten-style signature of "PKF Merit" in black ink.

PKF Merit

A handwritten signature in black ink, appearing to read "Matthew Kennon".

Matthew Kennon
Partner

Darwin

30 September 2025

