

Annual Report

2025/
2026





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Our members at TCU Milingimbi Branch, Arnhem Land, Northern Territory.



Aboriginal and Torres Strait Islanders are advised that this Annual Report might contain images of people who are deceased.

Chair's Report

The 2025/26 financial year has been a year of reflection, renewal and growing ambition for Traditional Credit Union Limited ("TCU").

It has also been my first full year as Chair, and I have come to appreciate even more deeply what makes TCU such an important and distinctive organisation.

That TCU is Australia's only Indigenous-owned bank after 30 years of operation is a testament to the work of many people over decades. It all originated from the vision of the old people at Milingimbi who planted the seed many years ago.

The 2025/26 financial year is made possible by the people who carry this legacy – the many people who continue to open the doors, answer the phones, travel the long roads and provide support in language, face-to-face and on Country. The challenges of providing a service in communities where distance, language barriers, limited infrastructure and digital exclusion cannot be underestimated or underappreciated. As Chair I am grateful to the many people who make TCU what it is.

That is why TCU matters.



L-R: Jennifer Yalumul, Marianne Wanybuku, Ms Marion Scrymgour MP, Jasmine Waymali and Pauleen Dhamarrandji.



Thirty years of purpose

This year we celebrated 30 years since TCU's first branch opened at Milingimbi. The anniversary brought together community members, former and current staff, Directors, government representatives and long-term supporters to honour the vision of the Traditional Owners who established TCU.

They understood that when mainstream banks withdrew from remote communities, something more than a commercial service was being lost. Access to banking is access to the economy. It is the ability to receive wages, pay bills, manage money, support family and participate with dignity in everyday life.

Thirty plus years later, that founding purpose remains at the heart of TCU.

Our anniversary was an opportunity to acknowledge the people who had the courage to begin this organisation, but it was also an opportunity to look forward. The challenge before us is not simply to preserve what they created. It is to transform what can be in order to honour that vision and share our gratitude for the gift that started 30 years ago.



Celebrating TCU's 30th anniversary at Milingimbi – honouring the people, culture and vision that continue to guide us.



30 years of banking on Country

L-R: Iain Summers, Bunug Galaminda, David Knights, Simon Lyons, John Rawnsley, Lily Roy, James Woods, David Djalangi, Peter Djumbu and Elsbeth Torelli. Non-Executive Director Sharyn Innes was absent for this photo.



Sharyn
Innes

Board renewal and continuity

During the year, the Board farewelled several valued Directors.

Peter Djumbu completed his service in November 2025. Peter brought to the Board his experience as a senior community representative from Ramingining and a strong commitment to the role TCU plays in remote communities.

We also farewelled Iain Summers, who had served TCU since 2005 and provided leadership as Chair during an important period of transition. Iain's contribution to TCU's governance, financial oversight and stability over two decades was considerable, and the Board records its sincere appreciation for his service.

In February 2026, David Djalangi retired after almost 24 years as a Director. David is a Traditional Owner from Galiwinku and brought to the Board deep community knowledge, cultural authority and an unwavering commitment to TCU's members. His length of service is remarkable. For more than two decades, he helped ensure that the voices and experiences of people living in remote communities remained present in the Board's deliberations. His contribution will remain part of TCU's story for many years to come.

Board renewal is essential to good governance. Renewal must be accompanied by continuity of purpose. As Directors change, the Board remains committed to maintaining strong Indigenous representation and an individualised skills matrix where the collective diversity and capabilities are suitable for modern banking governance. We must also ensure cultural understanding and lived experience continues to be embedded across TCU including governance, operations and external inputs.

Governing for purpose and sustainability

TCU operates under the same regulatory obligations as much larger Australian banks, despite our comparatively small scale and the exceptional cost and complexity of operating across remote communities.

Throughout the year, the Board maintained close oversight of financial sustainability, risk management, cybersecurity, regulatory change, technology investment and workforce capability.

The Board also supported management through one of the most demanding periods of systems modernisation in TCU's history. This included the final integration of TCU into the New Payments Platform ("NPP"), the redevelopment of the telephone banking and Interactive Voice Response ("IVR") environment, continuing improvements to cybersecurity and operational resilience, and further strengthening of our critical technology and vendor arrangements. These projects are not technology investments for their own sake. They are investments in inclusion.

The NPP integration means TCU members can now send and receive payments in real time, including outside traditional banking hours, on weekends and on public holidays. For members who may need to transfer money urgently to family, pay for essential goods or confirm that money has arrived before travelling significant distances, this is a meaningful improvement. It brings TCU members access to a capability that customers of larger banks have long taken for granted.

The Board recognises the enormous work undertaken particularly by management and staff and also external partners to deliver these changes while continuing to operate essential daily banking services. While some of this back-end work is complex and may not be immediately visible to all, it is vital to our competitiveness and our ability to meet our objectives as a modern credit union. We also recognise there is further work to do to ensure our services are delivered comparable to that of the larger banks to our members.

A confident vision for TCU

During the year, the Board and management also developed a clearer vision for TCU's future.

Our 2026-2029 Business Plan sets out a pathway that strengthens cultural governance, develops our people, improves systems and service reliability, grows membership and products, diversifies revenue and positions TCU as a trusted advocate and steward of Indigenous economic participation.

We are ambitious for TCU because we understand the connection between growth and impact. Growth allows TCU to create more Indigenous jobs. Employment builds skills, confidence and economic independence. Economic independence supports self-determination. Self-determination strengthens pride, families and communities.

Our vision:

- **Growth** allows TCU to create more Indigenous jobs.
- **Employment** builds skills, confidence and economic independence.
- **Economic independence** supports self-determination.
- **Self-determination** strengthens pride, families and communities.

The Board's vision is for TCU to remain culturally grounded while becoming stronger, more capable and more influential.

We want TCU to serve more communities, offer products that better meet the needs of our members, create pathways into meaningful careers and be a credible national voice for Indigenous financial inclusion.

Our physical presence will remain central to that vision. Digital banking has an important role, but it cannot replace local people, local knowledge and trusted face-to-face service. For TCU, modern banking and banking on Country must progress together.

Gratitude

On behalf of the Board, I thank our members for their trust and loyalty.

I thank our staff for the care, professionalism and persistence they demonstrate every day. Many work in challenging environments, often without the resources available to other banks; yet their contribution remains the living expression of TCU's purpose. The unique value our team brings – delivering services with a profound connection to Country, culture, and people – is a cornerstone of our success. A key motivation for transforming TCU is to grow and secure the resources necessary to better recognise and support this vital lived experience and capability. By fostering these strengths, we further champion Indigenous-led worldviews on financial literacy, wellbeing, and economic self-determination.



Retiring Director David Knights welcomes Caine Hanshaw TCU Director to Darwin, Northern Territory.

Opposite page: talented local artist Elizabeth Rukarriwuy Garrawurra weaving in Milngimbi, Northern Territory.



Chair John Rawnsley talking with Ms Marion Scrymgour MP.

The breadth of change delivered during the year, while maintaining essential services and building a stronger strategic foundation, has been substantial.

The Board works closely with the CEO and the Executive Management Team. Our ability to honour the vision of those who planted the seed for Australia's only Indigenous-owned bank – and to transform TCU to deliver deeper, broader impact – relies on the strategic acumen, expertise, and passion demonstrated by our executive leadership. We are ambitious in our strategic goals to transform TCU because we believe in the leadership of Simon Lyons and his team to execute.

Finally, I thank our many partners and supporters. TCU's achievements have always been made possible by those who understand our purpose and work alongside us. Thirty-one years ago, our founders created an organisation built on courage, necessity, and a belief in self-determination. Our responsibility now is to honour that legacy by building a TCU ready for the next thirty years.

John Rawnsley

John Rawnsley, Chair



TCU Director, Lily Roy
and traditional owner of
Milingimbi.



Matilda Seden
– Induction &
Culture Officer.

Assisting
members
through TCU's
Call Centre.



L -R: Caine Hanshaw, Jim Dracopoulos (CFO),
Alex Porrovecchio (CRO), Simon Lyons (CEO),
Sharyn Innes, Iain Summers, Elsbeth Torelli,
David Knights.



Kids can always find a way
to have some fun.





Team members from TCU's remote communities travelled to Milingimbi, NT, to take part in the 30th anniversary celebrations.

TCU Director Elsbeth Torelli and GRC Solutions Founder Julian Fenwick.



Guests arriving in Milingimbi to join celebrations of TCU's 30 years serving remote communities.



Marianne Wanybuku welcomes guests at 30th Celebration, Milingimbi.



Celebrating the 30th event in Darwin.

Board and Corporate Governance

Our Board of Directors meets regularly to monitor TCU's performance, strategic direction and governance. The Board combines community knowledge and experience with professional expertise relevant to TCU's operations and purpose.

The Board has a formal charter setting out its roles and responsibilities. The interests of our members and customers are central to our operations. The Board oversees TCU's governance and ensures the organisation meets its corporate responsibilities.



John Rawnsley

Chair and Non-Executive Director; member of the Board Audit & Finance Committee and Board Risk Committee

Director since: 2025

- » 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)
- » Company Secretary and Head of Strategy - Venture Housing Company Ltd



Lily Roy

Non-Executive Director

Director since: 2024

- » Traditional Owner of Milingimbi
- » Director of the Arnhem Northern and Kimberley Artists Aboriginal Corporation
- » Director of ALPA



Bunug Galaminda

Non-Executive Director

Director since: 2010

- » 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



Elsbeth Torelli

Non-Executive Director; Chair of the Board Risk Committee (since Aug 2026); Chair of the Board Audit & Finance Committee

Director since: 2016

- » Director of Customer Owned Banking Association
- » Director of Cairns Bank
- » Fellow of the Institute of Public Accountants
- » Fellow of the Governance Institute of Australia
- » Member of the Australian Institute of Company Directors



Sharyn Innes

Non-Executive Director; member of the Board Risk Committee

Director since: 2016

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



James Woods

Non-Executive Director; member of the Board Risk Committee and Board Audit & Finance Committee

Director since: May 2025

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



David Knights

Non-Executive Director; Chair of the Board Risk Committee; member of the Board Audit & Finance Committee

Director since: 2009, ceased Aug 2026

- » CEO of Indigenous Business Australia
- » Degree in Engineering
- » Master of Business Administration
- » Graduate of the Australian Institute of Company Directors
- » Graduate of Institute of Superannuation Trustees
- » Graduate of FINSIA

Chief Executive Officer's Report

For TCU, 2025/26 was a year of delivery.

We celebrated an important milestone in our history, but we also made significant progress in modernising our banking services, investing in our people, strengthening partnerships and building the foundations for TCU's next stage of growth.

Our 30th anniversary celebration at Milingimbi was a highlight of the year and an important reminder of why TCU exists. It was an opportunity to thank the Traditional Owners, Elders, former Directors, staff, members and supporters whose vision and commitment created TCU and carried it forward.

For me, the anniversary reinforced a simple responsibility: honour our past by continuing to improve what we deliver for our members today and creating greater opportunity for the future.

Instant payments finally arrive for TCU members

One of our most significant operational achievements was completing TCU's integration with the NPP. For the first time, our members can make and receive payments in real time, 24 hours a day, seven days a week, including weekends and public holidays.

Delivering NPP was a substantial undertaking for an organisation of our size. It required extensive testing, troubleshooting and coordination across TCU and our technology and payments partners while our teams continued providing essential banking services every day.

It is an achievement I am particularly proud of because it gives our members access to modern payment capability comparable with that available through much larger banks.

Modernising the systems behind our service

NPP was the most visible change, but it formed part of a much broader program of systems improvement.

During the year, we continued strengthening our core banking environment, cybersecurity, telecommunications, network resilience, vendor oversight, business continuity arrangements and operational risk controls.

We also rebuilt our IVR system with Contacx. Telephone banking remains particularly important for TCU members living in locations where mobile coverage and internet access can be inconsistent, as well as for members who prefer banking by telephone. The new IVR environment improves the reliability and usability of this important service channel.

Our work continued with Ultradata, Indue/Cuscal, Experteq, Intuit Technologies, Territory Technology Solutions and other providers supporting TCU's systems, security, payments and technology environment.

Technology will never replace our people. Its purpose is to give our people better, safer and more reliable tools with which to serve members.



TCU team member assisting members through TCU's Call Centre at the Casuarina Head Office.

The power of partnership

One of the strongest lessons from this year is how much more TCU can achieve when organisations choose to stand beside us.

During the year, more than \$500,000 in external support was secured through supplier contributions, discounted services and collaborative partnerships. This significantly reduced the cost of delivering important projects and allowed TCU to direct more of its resources towards services, employment and community impact.

We are grateful to our long-term supporters, including Indue, Cuscal, Experteq, Ultradata, Intuit Technologies and Territory Technology Solutions. Their ongoing support helps TCU meet the technology, compliance, cybersecurity and operational demands placed on a regulated bank.

GRC Solutions has continued to provide complimentary compliance, training and guidance resources, including assistance with TCU's Learning Needs Analysis and training framework. Australian Payments Plus also provided Board education and project management support without charge, giving our Board and team access to valuable expertise. Contactx rebuilt our IVR system at preferential rates and took the time to understand our members and operating environment.

Our appreciation also extends to the Australian Institute of Management, Customer Owned Banking Association ("COBA") and its Mutual Support Network, KPMG, PKF Merit, Arnhem Land Progress Aboriginal Corporation, regional councils, community organisations and the many people who have shared their time, advice, training and expertise.

This is partnership with purpose.

Advocacy that begins with lived experience

TCU is not only a banking service provider. We are also an advocate.

Our staff live and work in the communities we serve. They see the realities of financial and digital exclusion, including poor connectivity, difficulties with identification, shared mobile phones, low financial literacy, language barriers, scams and the continuing withdrawal of face-to-face services.

Our responsibility is to ensure those experiences have a voice in the places where policy is made.

During the year, we continued engaging with the Minister for Indigenous Australians, Malarndirri McCarthy, and with Marion Scrymgour, Special Envoy for Remote Communities. We also met with Tanya Plibersek and continued engaging with Commonwealth departments, regulators, industry representatives and Members of Parliament.

Our relationship with Services Australia also continued to develop. Through regular engagement, including discussions involving TCU and Indue, we have worked together to support delivery of the Enhanced Income Management SmartCard and improve outcomes for customers. During the year, Services Australia executed a deed of variation enabling the Enhanced Income Management agreement to be extended through to 2029, subject to annual review. This strengthens the longer-term outlook for the program and recognises the important role our staff play in delivering culturally appropriate service and support.

Our advocacy also continued through COBA, the Regional Banking Investment Alliance, Arnhem Aboriginal Business Council and First Nations Financial Inclusion Yarn Up. These relationships help bring the experience of remote communities into broader discussions about financial services.

Employment is where purpose becomes real

TCU creates something exceptionally valuable in remote communities: real jobs for local people.

At 30 June 2026, TCU employed 72 people, with 78 per cent of our workforce identifying as Indigenous. While this had fallen below our historic level of more than 80 per cent, it reinforces the importance we place on recruitment, retention and developing the capability of our people.

These are much more than employment statistics.

A job provides income, skills, confidence and independence. It can create a pathway into leadership and demonstrate that a professional career does not always require someone to leave Country, family, language and culture behind.

Our staff also help preserve and strengthen language through their work. They communicate with members in the languages spoken in their communities and help people understand banking systems, decisions and risks that can be confusing even for people with high levels of financial literacy.

Banking in language builds understanding.
Understanding builds trust.
Trust creates inclusion.

This is one of TCU's greatest strengths, and it cannot be recreated through an application, chatbot or call centre located thousands of kilometres away.

TCU Director James Woods is also the major of West Arnhem Regional Council.



Developing our people

During the year, we continued strengthening training and development opportunities across TCU.

Our partnership with the Australian Institute of Management has given staff access to formal learning and leadership development. We also continued mandatory compliance, safety and role-based training, together with specialist training supported by our external partners.

An important development has been the work to incorporate Money Business coaching into our induction and workforce capability program. The intention is to equip our people not only to process transactions, but to have better conversations with members about money, budgeting, financial wellbeing and available support.

The best financial capability support is often delivered by someone a member knows, in a place they trust and in words they understand.

Our vision is for TCU staff to become increasingly confident as bankers, educators, advocates and community leaders.

We also recognise the remarkable loyalty of our long-serving employees. Across TCU there are people who have dedicated significant parts of their working lives to our members and communities. Their knowledge, relationships and commitment are an enormous organisational asset.

Anne Marie Nundihirbala has been with TCU for over 14 years.



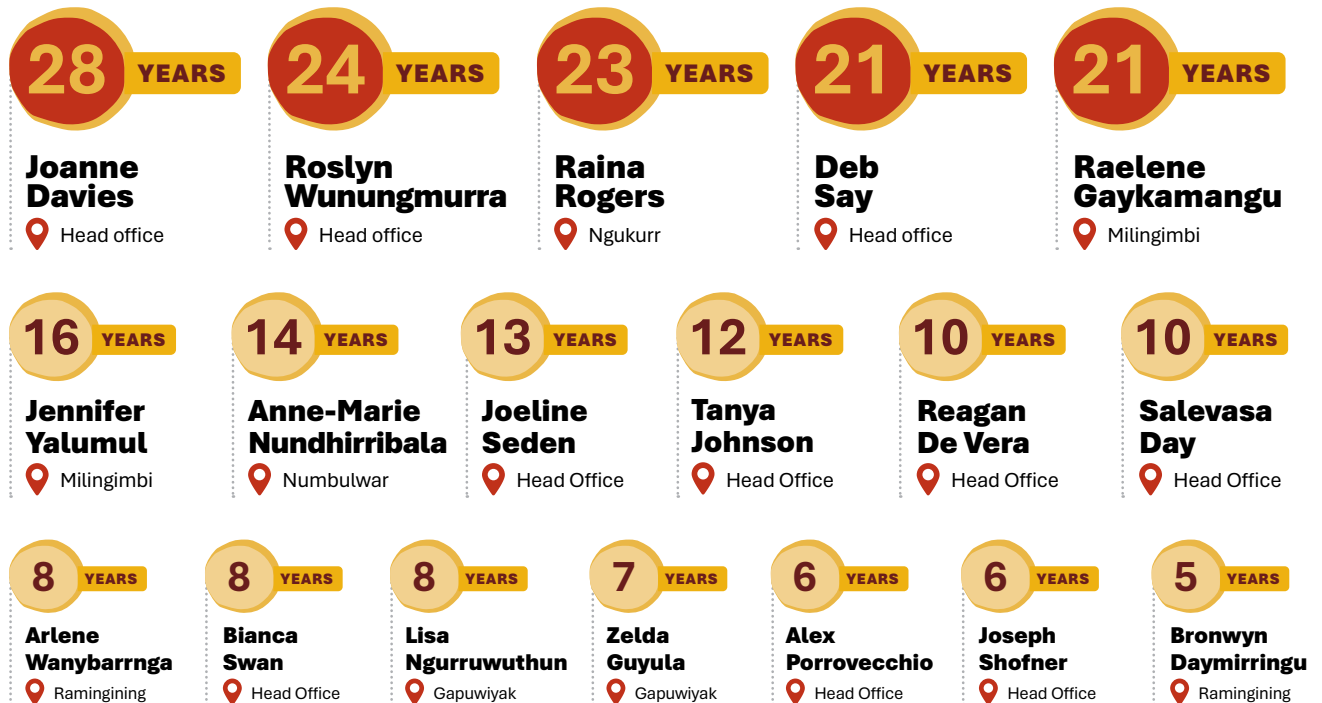
Former Chair Iain Summers hands over the lead to John Rawnsley.



Recognising our people: work anniversaries

TCU proudly recognised employees who reached significant service milestones during the year. These milestones reflect total services as at 30 June 2026 and acknowledge each employee's contribution to TCU and the communities we serve.

We sincerely thank each employee for their continued dedication and service to TCU and our communities.



TCU Directors Caine Hanshaw, David Knights and Elsbeth Torelli share a lighter moment in the boardroom.

TCU's 30th celebration on Milingimbi Island, Northern Territory.



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.



Turning our strategy into action

With the 2026-2029 Business Plan setting our direction, management's focus is now on turning that ambition into practical outcomes.

We are exploring new products and services including business banking, personal lending, residential lending pilots, improved treasury capability, Environment, Social and Governance ("ESG") related deposit products and new approaches to remote service delivery.

We are also developing the Bank in a Box concept and planning a Remote Banking Training, Innovation and Demonstration Centre. The proposed centre would provide a practical environment in which to train staff, test remote banking models, demonstrate solutions to partners and build capability before services are deployed into communities.

These initiatives are about expanding what TCU can do for members and communities while building a stronger and more sustainable organisation.

Growth enables impact.
Impact creates jobs for Indigenous people.
Employment builds self-determination.
Self-determination creates pride.
Pride builds stronger futures.

That is the connection between our commercial sustainability and our purpose.



Tara Geier and Edward Markeo in our Darwin Office.

Thank you

Everything we achieved this year was made possible by people.

To our staff across communities, branches, the call centre and Head Office, thank you. You continued serving members while TCU delivered major technology projects, responded to changing regulatory requirements and prepared for our next phase.

I also thank our Executive Management Team, John Rawnsley and the Board, and the many partners and supporters who have contributed expertise, services and practical assistance during the year.

Most importantly, I thank our members. Your continued trust in TCU is something we never take for granted.

The next chapter

Our next chapter must be ambitious.

We will continue banking on Country and creating meaningful Indigenous employment.

We will keep investing in our people, strengthening our systems and improving the services available to our members.

We will continue supporting language and culture and giving remote communities a voice.

And we will continue modernising TCU without losing the personal connection that makes us different.

TCU is more than a bank. We are an employer, educator, advocate and a practical demonstration of what Indigenous-led financial services can achieve.

Our responsibility now is to turn that purpose into even greater impact.



Simon Lyons,
Chief Executive Officer

TCU Board meeting in Darwin.



TCU Director Lily Roy presents a handcrafted woven artwork to former Board Chair Iain Summers.



Jodie Bedoya, Director at eMatrix Training, wearing handmade earrings gifted to guests on arrival at TCU's 30th anniversary celebrations.

Poppy, Joeline and Shontay flying the TCU flag.



Elsbeth, Iain and Sharyn TCU Directors.



TCU Branch Coordinators:
Raelene, Vasa and Bianca.



Reagan and Brock at
Milingimbi 30th Celebration.



Halls Creek, WA Traditional
Owner Lexi Trancollino meets
TCU CEO Simon Lyons.



TCU Strategy session.



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 2026 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.

Review of Operations and Results 2025/2026

» Profit after Tax	\$0.2m
» Total Assets	\$18.8m
» Total Liabilities	\$7.7m
» Total Deposits	\$5.8m

Directors

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

- » John Rawnsley
- » Bunug Galaminda
- » Lily Roy
- » Elsbeth Torelli
- » James Woods
- » Sharyn Innes
- » David Knights – ceased August 2026
- » Caine Hanshaw – commenced July 2026
- » Iain Summers – ceased November 2025
- » David Djalangi – ceased February 2026
- » Peter Djumbu – ceased November 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 2026.

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 2026 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 and 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*
John Rawnsley	3	3	14	14
Bunug Galaminda	3	3	4	3
Lily Roy	3	3	4	3
Elsbeth Torelli	3	3	14	14
James Woods	3	3	14	9
Sharyn Innes	3	2	9	6
David Knights	3	3	14	12
Iain Summers	1	1	8	8
David Djalangi	1	1	3	1
Peter Djumbu	1	1	1	0

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

** The Board ordinarily schedules four meetings per year. One scheduled Board meeting was cancelled due to Cyclone Fina during the financial year. Accordingly, three Board meetings were held during the reporting period.

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 2026

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



John Rawnsley
Chair



Elsbeth Torelli
Director



PKF Merit Partnership
ABN 28 448 499 186

Level 2, 9 Cavenagh Street
Darwin NT 0800

PO Box 3470
Darwin NT 0801
Australia

+61 8 8982 1444
clientservices@pkfmerit.com.au
pkf.com.au

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 2026, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

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

PKF Merit

A handwritten signature of Matthew Kennon in black ink.

Matthew Kennon
Partner

Darwin

30 September 2026

PKF Merit Partnership is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.



TCU Finance Team
L-R: Navoda, Joanne,
Kelly and Jim.



Financial Statements

for the year ended
30 June 2026

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traditional
CREDIT UNION



**Money
Stories**

Statement of Comprehensive Income

for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Interest income		665,678	760,004
Interest expense		137,785	158,038
Net interest income		527,893	601,966
Non-interest income	3	8,577,917	8,746,719
Net income before expenses		9,105,810	9,348,685
Depreciation and amortisation expense	4(a)	229,914	204,094
Salaries and related expenses	4(b)	4,235,182	4,029,681
Other expenses	4(c)	4,408,495	4,863,007
Total expenses		8,873,591	9,096,782
Profit before income tax		232,219	251,902
Income tax expense	5	58,055	62,975
Profit for the year		174,164	188,927
Other comprehensive income		-	-
Total comprehensive income attributed to Members		174,164	188,927

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

Statement of Financial Position

as at 30 June 2026

	Note	2026 \$	2025 \$
ASSETS			
Cash and cash equivalents	7	5,047,436	5,296,232
Trade and other receivables	8	467,030	866,750
Investments	9	12,468,024	12,470,689
Loans and advances	10	112,185	138,839
Current tax receivable	6(a)	887	83,130
Deferred tax assets	6(b)	322,829	263,421
Property, plant and equipment	11	182,419	303,420
Other assets	12	187,011	236,100
Total assets		18,787,821	19,658,580
LIABILITIES			
Trade and other payables	13	1,182,273	1,628,486
Deposits	14	5,833,140	6,362,411
Provisions	15	702,722	594,260
Lease liabilities	16	15,828	193,728
Total liabilities		7,733,962	8,778,885
Net assets		11,053,859	10,879,695
EQUITY			
Redeemed preference share reserve	17	65,198	60,788
Retained earnings		10,988,661	10,818,907
Total equity		11,053,859	10,879,695

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 2026

	Redeemed Preference Share Reserve \$	Retained Earnings \$	Total \$
Opening balance at 1 July 2025	60,788	10,818,907	10,879,695
Profit attributable to Members of the entity	-	174,164	174,164
Transfer from retained earnings to reserves	4,410	(4,410)	-
Closing balance at 30 June 2026	65,198	10,988,661	11,053,859

Opening balance at 1 July 2024	57,318	10,633,450	10,690,768
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	10,818,907	10,879,695

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 2026

	Note	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Fees received		4,141,693	4,486,231
Other income received		4,795,074	3,813,519
Interest received		667,534	779,315
Net decrease in on-call deposits and withdrawable members' shares		(527,007)	(416,972)
Net decrease / (increase) in loans and advances		26,654	(27,745)
Payment to employees and suppliers		(8,900,081)	(8,024,211)
Interest paid		(162,848)	(186,390)
Income tax paid		(35,220)	(455,202)
Net cash provided from / (used by) operating activities	18	5,800	(31,455)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from investments		2,665	1,843,990
Payment for property, plant and equipment and intangibles		(108,914)	(111,933)
Proceeds from sale of property plant and equipment		31,818	30,000
Net cash (used by) / provided from investing activities		(74,431)	1,762,057
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (decrease) / increase in term deposits		(2,264)	8,009
Payment of lease liabilities		(177,900)	(161,729)
Net cash used by financing activities		(180,164)	(153,720)
Net (decrease) / increase in cash and cash equivalents held		(248,795)	1,576,883
Cash and cash equivalents at beginning of financial year		16,598,232	15,021,349
Cash and cash equivalents at end of financial year	7	16,349,437	16,598,232

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

Notes to the Financial Statements

for the year ended 30 June 2026

1 GENERAL INFORMATION

The financial statements of Traditional Credit Union Limited (the "Credit Union") for the year ended 30 June 2026 were authorised for issue on 30th of September 2026 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

Comparative figures have been presented consistently with the current year, except where otherwise stated in the financial statements.

(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 |
| » Note 2.12 | Employee benefits |

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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 2025. 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 2026 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.

(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 however the Credit Union has recently submitted certain grant applications.

Notes to the Financial Statements

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

(a) 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.

(b) 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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

(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.

Notes to the Financial Statements

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand and deposits held at call with Authorised 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 receivable

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 Financial assets (continued)

(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.

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 receivables 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 advances and trade and other receivables 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.

Notes to the Financial Statements

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

(a) 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.

(b) 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 Financial liabilities (continued)

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.

(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

	2026	2025
	\$	\$
3 NON-INTEREST INCOME		
Other non interest income		
Revenue from fees and commission	4,141,693	4,486,231
Other operating revenue	4,436,224	4,260,488
Total non interest income	8,577,917	8,746,719
4 EXPENDITURE		
(a) Depreciation and amortisation		
Depreciation	229,914	204,094
Total	229,914	204,094
(b) Salaries and related expenses		
Salaries and wages	3,576,150	3,428,738
Superannuation	432,229	406,182
Other expenses	111,506	14,485
Total employee benefits	4,119,886	3,849,405
Payroll tax	105,683	171,572
Workers compensation insurance	9,612	8,704
Total	4,235,182	4,029,680
(c) Other expenses		
Administration	384,879	379,906
Internal & external audit fees	165,772	142,078
Information technology costs	1,543,337	1,990,021
Fees and commission	631,253	664,524
Insurance	293,621	344,187
Marketing and promotion	83,558	23,262
Other occupancy costs	284,910	379,017
Short-term leases	185,356	192,021
Travel and accommodation	383,193	382,779
Other	452,616	365,212
Total	4,408,495	4,863,007

	2026	2025
	\$	\$
5 INCOME TAX EXPENSES		
(a) The components of tax expenses comprise:		
Current income tax expense	117,465	116,325
Deferred tax relating to origination and reversal of temporary differences	(59,410)	(53,349)
Total income tax expense	58,055	62,976
(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	232,219	251,902
Tax at the tax rate of 25.0%	58,055	62,976
Income tax expense	58,055	62,976

Notes to the Financial Statements

	2026 \$	2025 \$
6 CURRENT AND DEFERRED TAX		
(a) Current tax asset (liabilities)		
Current tax receivable	887	83,130
(b) Deferred tax assets		
The movement in deferred tax assets for each temporary difference is as follows:		
Receivables		
Opening balance	(31,347)	(36,175)
Credited to the Statement of Comprehensive Income	464	4,828
Closing balance	(30,883)	(31,347)
Payables and accruals		
Opening balance	120,901	130,826
Debited from the Statement of Comprehensive Income	(25,150)	(9,925)
Closing balance	95,751	120,901
Doubtful debts		
Opening balance	7,489	7,571
Credited to / (Debited from) the Statement of Comprehensive Income	4,569	(82)
Closing balance	12,058	7,489
Employee entitlements		
Opening balance	148,565	137,900
Credited to the Statement of Comprehensive Income	27,115	10,665
Closing balance	175,680	148,565
Accelerated capital allowance for tax purposes		
Opening balance	17,813	(30,051)
Credited to the Statement of Comprehensive Income	52,410	47,864
Closing balance	70,223	17,813
Total deferred tax assets	322,829	263,421

	2026	2025
	\$	\$
7 CASH AND CASH EQUIVALENTS		
Cash on hand	637,543	691,250
Deposits at call	4,409,894	4,604,982
Total	5,047,437	5,296,232
(a) Reconciliation of cash		
Cash and liquid assets	5,047,437	5,296,232
Held-to-maturity investments – short term	11,302,000	11,302,000
Balance as per Statement of Cash Flows	16,349,437	16,598,232
8 TRADE AND OTHER RECEIVABLES		
Interest receivable	123,532	125,388
Other receivables	343,497	741,362
Total	467,030	866,750
All trade and other receivables balance are currently within accepted trading terms.		
9 INVESTMENTS		
(a) Investments		
Investments at amortised cost	12,468,024	12,470,689
Total	12,468,024	12,470,689
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	11,302,000
Longer than 3 months and not longer than 6 months	1,000,000	1,078,364
Longer than 6 months	166,024	90,325
Total	12,468,024	12,470,689
10 LOANS AND ADVANCES		
(a) Details		
Term loans to third parties	85,298	96,687
Overdrawn accounts	75,118	80,156
	160,416	176,843
Provision for expected credit losses (ECLs)	(48,232)	(38,004)
Total	112,184	138,839

Notes to the Financial Statements

	2026 \$	2025 \$
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	101,431	93,857
Longer than 6 months not longer than 1 year	1,849	19,601
Longer than 1 year and not longer than 5 years	57,138	63,385
Total	160,418	176,843
(c) Ageing of loans and advances		
0 - 30 days	41,862	45,986
31 - 60 days	373	-
61 - 90 days	19,772	31,181
Over 90 days	98,411	99,676
Total	160,418	176,843
All over 60 days overdue accounts were included in the provision for ECLs		
(d) Provision for ECLs		
Past due loans	-	-
Overdue savings accounts	48,232	38,004
Total	48,232	38,004
(e) Movements in provision for ECLs		
Opening balance	38,004	30,281
Bad debts provided for during the year	10,228	7,723
Closing Balance	48,232	38,004
(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	76,126	85,266
Galiwinku	5,796	8,027
Katherine	3,376	-
Warruwi	-	3,394
Total	85,298	96,687

	2026 \$	2025 \$
11 PROPERTY, PLANT AND EQUIPMENT		
Motor vehicles		
At cost	338,212	275,609
Accumulated depreciation	(169,994)	(156,793)
Net carrying value	168,219	118,816
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	340,809
Accumulated depreciation	(326,609)	(156,205)
Net carrying value	14,200	184,604
Total property, plant and equipment	182,419	303,420

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

	Motor Vehicles	Leasehold Improvements	Right-of-use Assets*	Total
	\$	\$	\$	\$
Balance at 1 July 2025	118,814	-	184,604	303,418
Additions	108,914	-	-	108,914
Disposals	-	-	-	-
Depreciation expense	(59,509)	-	(170,405)	(229,914)
Balance at 30 June 2026	168,219	-	14,200	182,419
Balance at 1 July 2024	41,207	-	354,372	395,581
Additions	111,933	-	-	111,933
Disposals	-	-	-	-
Depreciation expense	(34,326)	-	(169,768)	(204,094)
Balance at 30 June 2025	118,814	-	184,604	303,420

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

	2026	2025
	\$	\$
12 OTHER ASSETS		
Prepayments	177,903	228,792
Leasehold property bond	9,108	7,308
Total	187,011	236,100
13 TRADE AND OTHER PAYABLES		
Trade & other payables	1,003,589	1,475,894
GST	120,759	81,788
Accrued interest payable	57,925	70,805
Total	1,182,273	1,628,486

	2026	2025
	\$	\$
14 DEPOSITS		
Term deposits	2,166,024	2,168,288
Call deposits	3,651,284	4,176,721
Members' shares	15,832	17,402
Total	5,833,140	6,362,411
(a) Maturity analysis		
On call	3,667,116	4,194,123
No longer than 3 months	1,000,000	1,000,000
Longer than 3 months not longer than 6 months	1,000,000	1,077,963
6 months or longer	166,024	90,325
Total	5,833,140	6,362,411
(b) Concentration of deposits (including overdrawn accounts in Note 10)		
Alice Springs	59,012	38,226
Angurugu	107,418	295,075
Borrooloola	4,858	5,030
Darwin	3,262,873	3,385,227
Galiwinku	159,624	102,966
Gapuwiyak	78,140	62,014
Gunbalanya	37,321	27,409
Katherine	108,321	47,530
Maningrida	154,704	136,767
Milingimbi	49,738	32,076
Minyerri	15,974	17,075
Ngukurr	422,609	149,822
Numbulwar	42,074	44,842
Ramingining	85,232	49,020
Tennant Creek	36,328	46,666
Wurruyiyanga	32,207	68,026
Wadeye	597,877	1,480,594
Warruwi	44,711	22,986
Other	157,350	53,926
eIM Card deposit	285,819	199,576
Total	5,742,190	6,264,853

Notes to the Financial Statements

	2026 \$	2025 \$
15 PROVISIONS		
Employee entitlements	527,722	419,260
Make-good on leased properties	175,000	175,000
Total	702,722	594,260
Analysis of total provisions		
Current – employee entitlements & make-good	630,314	460,645
Non current – employee entitlements	72,408	133,615
Total	702,722	594,260
16 LEASE LIABILITIES		
Current - lease liabilities	15,828	178,028
Non-Current - lease liabilities	-	15,700
Total	15,828	193,728
Amount recognised in the income statement		
Interest on lease liabilities	12,181	27,119
Expenses relating to short-term leases	185,356	192,021
Total	197,537	219,141
Maturity analysis		
One year or less	16,236	194,436
One to five years	-	16,236
Total undiscounted contractual cash flows	16,236	210,672

	2026	2025
	\$	\$
17 REDEEMED PREFERENCE SHARE RESERVE		
At the beginning of the reporting period	60,788	57,318
Transfer from retained earnings on share redemption	4,410	3,470
At the end of the reporting period	65,198	60,788

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	174,164	188,927
Adjustments for (non cash flows in profit):		
Depreciation	229,914	204,094
Expected Credit Loss	7,197	-
Net gain on sale of property, plant and equipment	(31,818)	(30,000)
Change in assets and liabilities:		
Decrease / (increase) in trade and other receivables	392,524	(397,656)
Decrease / (increase) in loans and advances	26,654	(27,745)
Decrease in other assets	49,089	34,316
Increase in deferred tax assets	(59,408)	(53,350)
Decrease / (increase) in income tax receivable	82,243	(338,877)
(Decrease) / increase in trade and other payables	(446,213)	763,149
Decrease in deposits	(527,007)	(416,972)
Increase in provision for employee benefits	108,461	42,660
Net cash flows from operating activities	5,800	(31,455)

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 APRA'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.

19 FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

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	
	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$
Deposits	5,833,140	6,362,411	-	-	5,833,140	6,362,411
Trade and other payables	942,220	1,464,994	-	-	942,220	1,464,994
Total contractual outflows	6,775,360	7,827,405	-	-	6,775,360	7,827,405

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:

	2026	2025
	%	%
Financial assets		
Cash and cash equivalents	3.73	4.45
Short term investments:		
Held to maturity investments	4.28	4.78
Loans receivable	5.39	5.16

Notes to the Financial Statements

19 FINANCIAL RISK MANAGEMENT (continued)

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 \$	
	2026	2025	2026	2025
Financial assets + 1%				
Cash in bank	33,074	34,537	33,074	34,537
Loans and advances	841	1,041	841	1,041
Investments	93,510	93,530	93,510	93,530
Financial liabilities				
Deposits	(43,749)	(47,718)	(43,749)	(47,718)
Post tax earnings at risk	83,677	81,391	83,677	81,391
Financial assets - 1%				
Cash in bank	(33,074)	(34,537)	(33,074)	(34,537)
Loans and advances	(841)	(1,041)	(841)	(1,041)
Investments	(93,510)	(93,530)	(93,510)	(93,530)
Financial liabilities				
Deposits	43,749	47,718	43,749	47,718
Post tax earnings at risk	(83,677)	(81,390)	(83,677)	(81,390)

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 2025 and 2026.

19 FINANCIAL RISK MANAGEMENT (continued)

Fair market value measurement / fair value estimation (continued)

	Note	Carrying amount \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Balance at 30 June 2026						
Loans and advances	10	112,185	-	-	112,185	112,185
Held to maturity investments	9	12,468,024	-	12,468,024	-	12,468,024
Total financial assets		12,580,209	-	12,468,024	112,185	12,580,209
Term deposits	14	2,166,024	-	-	2,166,024	2,166,024
Call deposits	14	3,651,284	-	3,651,284	-	3,651,284
Total financial liabilities		5,817,308	-	3,651,284	2,166,024	5,817,308
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

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.

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 includes 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 2026 comprise the following individuals, whose remuneration details are included in the table below.

Directors	Executive Management
J. Rawnsley	S. Lyons <i>Chief Executive Officer</i>
B. Galaminda	J. Dracopoulos <i>Chief Financial Officer / Company Secretary</i>
L. Roy	A. Porrovecchio <i>Chief Risk Officer</i>
E. Torelli	
J. Woods	
S. Innes	
D. Knights*	
I. Summers* (<i>ceased November 2025</i>)	
D. Djalangi (<i>ceased February 2026</i>)	
P. Djumbu (<i>ceased November 2025</i>)	

* Directors electing not to receive remuneration.

KMP remuneration

	2026	2025
	\$	\$
Short term employee benefits – salaries	729,013	627,920
Directors fees	37,367	20,785
Long term benefits – long service leave	9,794	(31,217)
Post employment benefits – superannuation	70,794	62,588
Total	846,968	680,076

Variable remuneration

No variable remuneration in excess of the Financial Accountability Regime deferred remuneration threshold was awarded during the reporting period.

Two KMPs of the Credit Union had personal loans at commercial rates. At 30 June 2026, one KMP had an outstanding balance of \$4,849 (2025: \$8,697 relating to two KMPs)

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

	2026	2025
	\$	\$
21 AUDITOR'S REMUNERATION		
Amounts paid or payable to the external auditors – PKF Merit		
Auditing the financial statements	30,000	26,500
Audit of Australian Financial Services Licence	5,500	5,000
Audit of prudential reports	16,000	14,000
Total	51,500	45,500

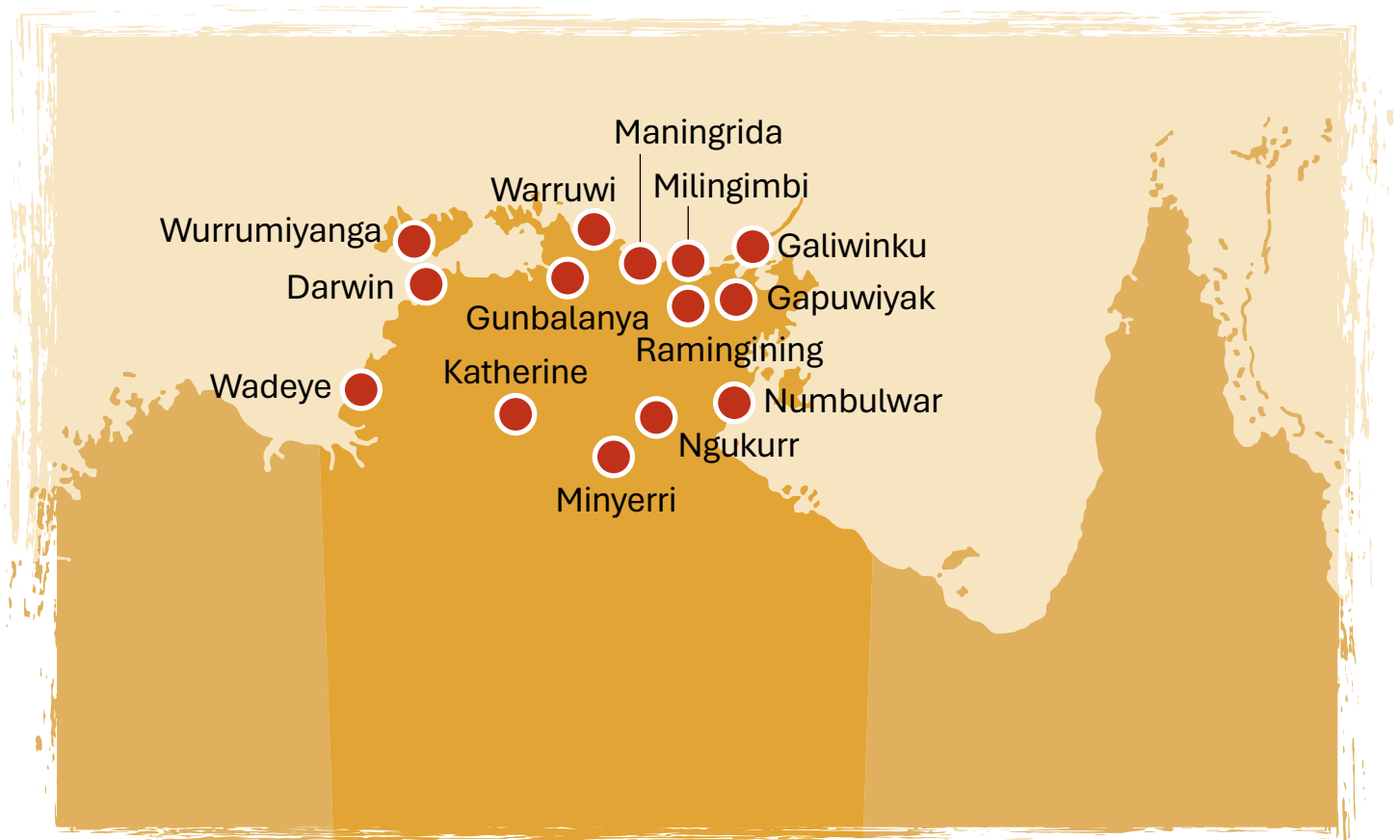
22 EVENTS SUBSEQUENT TO REPORTING DATE

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 LOCATIONS

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

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



Directors' Declaration

The Directors of the Credit Union declare that:

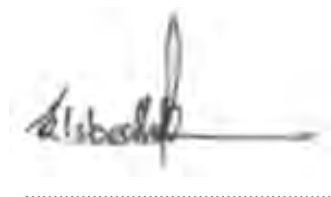
1. The Financial Statements and Notes of the Credit Union for the year ended 30 June 2026 are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position and performance of the Credit Union;
2. In the 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 2026

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



PKF Merit Partnership
ABN 28 448 499 186
Level 2, 9 Cavenagh Street
Darwin NT 0800
PO Box 3470
Darwin NT 0801
Australia
+61 8 8982 1444
clientservices@pkfmerit.com.au
pkf.com.au

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 2026, 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 2026 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 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

PKF Merit Partnership is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.



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.

PKF Merit

PKF Merit



Matthew Kennon
Partner

Darwin

30 September 2026

Traditional Credit Union Limited

ABN: 50 087 650 922 AFSL: 244 255

Registered Office: 9 Rowling Street,
Casuarina, Northern Territory 0810

1800 828 232

www.tcu.com.au

