Annual Report
2024/2025

Banking with purpose.

gmcu.

Chair's report

On behalf of the Board, Executive Team, and our dedicated staff, I am pleased to present the Annual Report for the financial year ended 30 June 2025.

This year marks a significant milestone - 70 years of GMCU supporting our members and communities across the regional communities we serve.

It is a moment to reflect on our legacy and reaffirm our commitment to providing Banking with Purpose: a member-first approach that enables individuals, families and businesses to thrive.

Strong Financial Performance

GMCU continues to demonstrate financial strength and resilience in a dynamic economic environment. Key outcomes for the year include:

- **Net lending growth of $24 million**, bringing total loans to $398.7 million - a 6.4 percent increase from the year prior
- **Profit after tax of $1.9 million**, supporting sustainable reinvestment into member services
- **Deposit growth of $26.4 million**, with total member deposits reaching $516.1 million
- **Members' equity increased by $1.8 million to $62.5 million**, reinforcing our capital strength
- **Capital adequacy ratio of 26.34 percent**, well above regulatory minimum

These results reflect our ability to grow responsibly while maintaining a strong balance sheet and delivering value to our members.

Community Investment

In 2025, we continued our commitment to community investment, supporting local initiatives across local sport, education, health, arts and industry.

These contributions are a key foundation of our purpose-driven model and our belief in the power of supporting local.

Member Centric Product & Technology Innovation

We have made further strides in our digital transformation journey, enhancing the banking experience for our members and operational efficiency.

Our technology continues to evolve, enabling secure, seamless banking experiences and equipping our team with the tools to serve members better.

Our team are focused on delivering features that allow our members to be able to bank safely, where and when it suits them in internet banking and via our app. Along with several system upgrades and platform improvements to provide secure and stable transactional banking services, the team rolled out new features like Digital Cards and Card Controls and Confirmation of Payee services.

This year, the team were also able to successfully deliver on our requirements and obligations under the Scam Safe Accord and CPS 230 Operational Risk Management.

The Broker channel continues to grow, allowing GMCU to be able to serve new members in the communities we operate that may prefer to use a broker. We have ample opportunity to support these members with complementary banking products and services alongside their loans.

Governance & Leadership

Our governance remains focused on strategic oversight, risk management, and ensuring GMCU remains a trusted and competitive banking alternative. I'd like to thank the Board of Directors for their ongoing commitment to providing a stable, long-term, strategic direction for the organisation.

Our incredible team of passionate and member-focused individuals, led by a refreshed Executive Team, continue to create a point of difference when it comes to serving our members and communities more broadly. I'm grateful for the dedication and passion that they bring to work each day.

Outlook

While the economic outlook remains uncertain with ongoing pressure on interest margins, we remain confident in GMCU's ability to adapt and grow. Our strong capital position, disciplined cost management, and member-first ethos provide a solid foundation for the future.

As we celebrate 70 years, our focus remains on what matters most - helping our members and communities thrive.

Eugenie Stragalinos
Chair

Performance highlights

$591m total assets
^ from $558m the previous year

$1.9m profit
after tax

Supporting sustainable reinvestment into member services

26.34%
capital adequacy ratio

Well above regulatory minimums ensuring financial resiliance

$62.5m
in members' equity

$516.1m
in member deposits
^$26.4m year-on-year

12% of loans
were First Home Buyers

$398.7m
in total loans

79% of home loans
for the year were for local, Regional Victorian members

^$24m
from 2024 = 6.4% lending growth

$142,000 given back
to community organisations, events and not-for-profits

Goulburn Murray Credit Union Co-operative Limited

ABN 87 087 651 509

Statutory financial statements for the year ended

30 June 2025

This report contains 62 pages

Contents

Consolidated Entity Disclosure Statement

GMCU does not have any controlled entities and is therefore not required by the Australian Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3)(a) of the Corporations Act 2001 does not apply to GMCU.

Directors' Report

The Directors present their report together with the financial statements of Goulburn Murray Credit Union Co-operative Limited (the "Company" or "GMCU") for the year ended 30 June 2025 and the auditor's report thereon.

Directors

The names and details of the Directors of the Company in office at any time during or since the end of the financial year are:

Eugenie Stragalinos BCom CPA MAICD
Board Chair
Chair: Governance Committee
Occupation: Director & Principal, EMS Consulting
Appointed: 31 August 2016

Antoinette Truda MBA (MBS), PostGrad Dip. Management, BCom, BArts, GAICD
Chair: Member Experience & Community Impact
Occupation: Executive Director Commercial Services
Appointed: 30 November 2020

Adam Woods BApSci CA
Deputy Board Chair
Chair: Audit Committee
Occupation: Director of Finance
Appointed: 1 November 2021

Steven Crisp BBus MAppFin
Occupation: Executive Director and CEO
Appointed: 1 July 2023
Steven Crisp resigned on 14 July 2024.

John Calleja CA, MApFin, BCom, GAICD
Occupation: Chief Executive Officer
Appointed: 1 December 2017

Steven Shaw BBus
Chair: Risk Committee
Occupation: Consultant and Advisor
Appointed: 1 June 2020

Yvonne Wrigglesworth GAICD, BSc(Hons), Grad Dip Fin Mgmt & Health Policy, Prof Cert Health Systems Mgmt
Occupation: Primary Care Transformation Lead
Appointed: 22 November 2023

All Directors are considered to be independent, non-executive Directors.

Directors' meetings

The number of meetings of Directors (including meetings of committees) held during the year and the number of meetings attended by each Director were as follows:

Director	Board of Directors' Meetings		Audit		Governance		Member Experience & Community Impact		Risk	
	A	B	A	B	A	B	A	B	A	B
E Stragalinos	10	10	5	5	3	3	3	3	4	4
J Calleja	10	10	3	3	0	0	1	1	0	0
S Shaw	10	10	0	0	3	3	0	0	4	4
A Truda	10	10	5	4	0	0	3	3	0	0
A Woods	10	10	5	5	3	3	3	3	4	4
S Crisp	0	0	0	0	0	0	0	0	0	0
Y Wrigglesworth	10	10	2	2	3	3	2	2	2	2

A – reflects the number of meetings the Director was eligible to attend during the year
B – number of meetings attended

Company secretary

Ms Hayley Collins, the Company's Chief Corporate Services Officer was appointed to the position of Company Secretary on 23 March 2022 and continues to act in this capacity as at and post the end of the financial year.

Principal activities

The principal activity of the Company is to raise funds from the Company's members for the purpose of making loans to members. No significant change in the nature of the activity has occurred during the year.

Operating & Financial Review

The profit for the financial year before income tax was $2,634,636 (2024: $3,064,194). Income tax was $729,862 (2024: $838,790). Profit after tax for 2025 was $1,904,774 (2024: $2,225,404).

Review of operations

Net loans for the year have increased by $24.0 million to $398.7 million.
Member deposits increased during the year by $26.4 million to $516.1 million.
Members' equity during the year has increased by $1.8 million to $62.5 million.

There were no significant changes in the operations of GMCU.

State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company during the financial year under review.

Dividends

The Company does not have permanent share capital and has therefore not paid or declared any dividends for the financial year.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Directors' benefits

During or since the end of the financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration paid or payable to the Directors as shown in the general purpose financial statements) by reason of a contract entered into by the Company with:

- a Director,
- a firm of which a Director is a member, or
- an entity in which a Director has a substantial financial interest except those outlined in Note 25 to the financial statements.

Likely developments

No material likely developments are foreseen at this time that may affect the Company's operations.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Indemnification and insurance of Officers and auditors

The Company has not given any indemnities to Directors, Officers or Auditors.

The Company has arranged Directors' and Officers' Liability insurance coverage, against legal costs imposed on Directors and Officers, in a manner that complies with the *Corporations Act 2001*.

Auditor independence declaration

The auditor independence declaration for the year ended 30 June 2025 has been received and can be found on page 4 of the financial report.

Dated at Shepparton this 24th day of September 2025.

Signed in accordance with a resolution of the Directors.

E Stragalinos – Chair	A Woods – Deputy Chair

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Auditor Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Goulburn Murray Credit Union

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been no contraventions of:

1) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

2) Any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Goulburn Murray Credit Union for the financial year ended 30 June 2025.

Crowe

CROWE ALBURY

Jason Gilbert

JASON GILBERT
Partner

24 September 2025
Albury

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2025

	Note	2025 $	2024 $
Interest revenue	3	31,393,516	28,740,130
Interest expense	3	(14,156,721)	(11,661,865)
Net interest income		17,236,795	17,078,265
Non-interest revenue	4	1,731,466	1,735,821
General and administration	5	(14,111,915)	(13,549,114)
Net impairment (loss)/gain on financial assets		(57,487)	(65,713)
Occupancy expenses		(388,566)	(401,497)
Depreciation and amortisation expense	5	(344,246)	(396,295)
Fees and commission expense		(1,431,411)	(1,337,273)
Profit before tax		2,634,636	3,064,194
Income tax expense	7	(729,862)	(838,790)
Profit after tax		1,904,774	2,225,404
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain/(loss) on the revaluation of property, net of tax		(117,000)	-
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		3,843	3,479
Other comprehensive income for the year, net of tax		(113,157)	3,479
Total comprehensive income for the year		1,791,617	2,228,883

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes set out on pages 9 to 58.

Statement of Financial Position
As at 30 June 2025

	Note	2025 $	2024 $
ASSETS			
Cash and cash equivalents	8	92,585,679	79,896,510
Investment Securities	9	88,853,795	92,443,021
Receivables	10	871,033	1,323,064
Loans and advances	11	398,679,160	374,691,223
Other financial assets	13	140,051	134,928
Other assets	16	1,237,071	972,401
Investment property	15	1,040,000	880,000
Property, plant and equipment	15	6,106,987	6,395,574
Right-of-use assets	20	924,460	1,002,641
Current tax asset	7	24,736	49,411
Deferred tax asset	7	524,867	395,446
Intangible assets	14	-	-
TOTAL ASSETS		590,987,839	558,184,219
LIABILITIES			
Deposits	17	516,077,901	489,677,603
Accounts payables and other liabilities	18	10,120,322	5,468,289
Employee benefits	19	962,529	967,289
Lease liabilities	20	1,091,588	1,143,235
Current tax liability	7	-	-
Deferred tax liability	7	277,634	261,555
TOTAL LIABILITIES		528,529,974	497,517,971
NET ASSETS		62,457,865	60,666,248
EQUITY			
Reserves	21	3,144,864	3,354,156
Retained profits		59,313,001	57,312,092
TOTAL MEMBERS' EQUITY		62,457,865	60,666,248

The statement of financial position is to be read in conjunction with the accompanying notes set out on pages 9 to 58.

Statement of Changes in Members Equity

	Retained Profits $	Member Share Redemption Reserve $	Lending Risk Reserve $	Asset Revaluation Reserve $	Financial Asset Reserve $	Total Equity $
Year ended 30 June 2024						
Opening balance at 1 July 2023	54,082,666	96,135	1,004,022	3,168,582	85,960	58,437,365
Profit after tax	2,225,404	-	-	-	-	2,225,404
Other comprehensive income for the period	-	-	-	-	3,479	3,479
Transfer to/(from) lending risk reserve	1,004,022	-	(1,004,022)	-	-	-
Transfer to member share redemption reserve	-	-	-	-	-	-
Closing balance at 30 June 2024	57,312,092	96,135	-	3,168,582	89,439	60,666,248
Year ended 30 June 2025						
Opening balance at 1 July 2024	57,312,092	96,135	-	3,168,582	89,439	60,666,248
Profit after tax	1,904,774	-	-	-	-	1,904,774
Other comprehensive income for the period	-	-	-	(117,000)	3,843	(113,157)
Transfer to/(from) lending risk reserve	-	-	-	-	-	-
Transfer to member share redemption reserve	96,135	(96,135)	-	-	-	-
Closing balance at 30 June 2025	59,313,001	-	-	3,051,582	93,282	62,457,865

The statement of changes in members equity is to be read in conjunction with the accompanying notes set out on pages 9 to 58.

Statement of cash flows
For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Interest received		31,845,547	28,823,681
Interest paid		(14,102,012)	(9,586,980)
Cash paid to suppliers and employees		(11,334,569)	(16,583,675)
Receipts from other services		1,211,114	1,757,251
Income tax paid		(705,187)	(1,878,421)
		6,914,893	2,531,856
Net movement in loans		(24,045,424)	(36,202,159)
Net movement in deposits and short-term borrowings		26,400,298	22,918,633
Net cash used in operating activities	22	9,269,767	(10,751,670)
Cash flows from investing activities			
Net movement in Investment Securities		3,589,226	36,919,998
Payments for property, plant and equipment		(82,034)	(197,572)
Payments for intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	18,182
Net cash from/ (used in) investing activities		3,507,192	36,740,608
Cash flows from financing activities			
Repayment of the lease liabilities		(87,790)	(81,031)
Net cash used in financing activities		(87,790)	(81,031)
Net increase/(decrease) in cash and cash equivalents		12,689,169	25,907,907
Cash and cash equivalents at 1 July		79,896,510	53,988,603
Cash and cash equivalents at 30 June	8	92,585,679	79,896,510

The statement of cash flows is to be read in conjunction with the accompanying notes set out on pages 9 to 58.

Notes to the Financial Statements
For the year ended 30 June 2025

1. REPORTING ENTITY

Goulburn Murray Credit Union Co-operative Limited (the "Company" or "GMCU") is a company domiciled in Australia. GMCU is a member-owned not for profit credit union. The address of GMCU's registered office is 95 Fryers Street, Shepparton, VIC, 3632.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Under Australian Accounting Standards (AASBs), there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The Company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Company has elected to apply options and exemptions within AASBs that are applicable to not-for-profit entities.

The financial statements were authorised for issuance by the Directors on 24 September 2025.

(b) Basis of measurement

The financial statements are presented in Australian dollars.

The financial statements have been prepared on a historical cost basis except that the following assets and liabilities (if applicable) are stated at their fair value: land and buildings, other financial assets and investment property. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements, unless otherwise stated.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

Notes to the Financial Statements
For the year ended 30 June 2025

2. BASIS OF PREPARATION (continued)

(c) Accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

- Note 12– Impairment of loans and advances with regards to the expected credit loss modelling and judgements, including:
    - Determining criteria for significant increase in credit risk: An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased GMCU takes into account qualitative and quantitative reasonable and supportable forward-looking information;
    - Choosing appropriate models and assumptions tor the measurement of expected credit loss; and
    - Establishing groups of similar financial assets for the purposes of measuring expected credit loss: When expected credit loss is measured on a collective basis, the financial instruments are grouped based on shared risk characteristics.
- Note 15 - Fair value assumptions used for land, buildings and investment properties;
- Note 13 – Fair value assumptions used for other financial assets;
- Note 20 – Estimation of the lease term and determination of the appropriate rate to discount the lease payments.

(d) New or amended accounting standards adopted

GMCU has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the adopted Accounting Standards and Interpretations had a material impact on the financial statements of the Company.

(e) New or amended accounting standards not yet mandatory

There are no new accounting standards or interpretations expected to have any significant impact on GMCU's financial report that are issued and not yet applicable.

Notes to the Financial Statements
For the year ended 30 June 2025

3. INTEREST REVENUE AND INTEREST EXPENSE

Recognition and measurement

Revenue is recognised when it is likely that the economic benefits will be received by GMCU and the amount can be measured reliably. Revenue is reported net of goods and services tax (GST). Revenue is not recognised if there are significant uncertainties about the recovery of the consideration or if the costs incurred or to be incurred cannot be measured reliably.

Interest revenue
Interest revenue on loans is calculated based on the daily outstanding balance and charged monthly in arrears to the customers account. This interest revenue is recognised in the statement of profit or loss as it accrues, utilising the effective interest rate method. Fees and transaction costs that are integral to the lending arrangement are recognised in the profit and loss over the expected life of the instrument in accordance with the effective interest rate method.

The calculation of effective interest rate does not include expected credit loss. Interest income that is classified as impaired is recognised by applying the effective interest rate to the amortised cost carrying value, being the gross carrying amount after deducting the impairment loss.

Interest revenue on deposits with other financial institutions are calculated on an accrual basis using the effective interest rate method.

Interest expense
Interest payable on customer deposits is calculated daily on the outstanding balance and credited periodically in arrears. This interest expense is recognised in the statement of profit or loss as it accrues, employing the effective interest rate method.

	2025 $	2024 $
Interest revenue		
Deposits with other financial institutions	8,470,494	8,367,703
Loans and advances	22,923,022	20,372,427
	31,393,516	28,740,130
Interest expense		
Member deposits	14,069,214	11,574,132
Short-term borrowings	892	-
Lease liabilities	86,615	87,733
	14,156,721	11,661,865

Notes to the Financial Statements
For the year ended 30 June 2025

4. OPERATING REVENUE

Recognition and measurement

Fee income
Loan, account and transaction fee income relate to fees that are not deemed to be an integral part of the effective interest rate.

Fee income relating to deposit or loan accounts is either:
- Transaction based and therefore recognised when the performance obligation related to the transaction is fulfilled, or
- Related to performance obligations carried out over a period of time, therefore recognised on a systemic basis over the life of the agreement as the services are provided.

Transaction fees and provision of services are defined within product terms and conditions.

Loan fees
Loan fees and charges includes fees for ongoing loan account management, as well as late repayment fees and other penalty charges. These fees and charges are charged to the customer's account as incurred. Loan fees and charges are recognised at the point in time when the transaction takes place.

Electronic transaction fees / Visa card fees / Other fees
GMCU provides financial services to members. Fees for ongoing account management are charged to the customer's account on a monthly basis. Transaction-based fees are charged to the customer's account when the transaction takes place. Revenue from account service and servicing fees is recognised over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.

Commissions
Commission income is recognised when the performance obligation is satisfied.

Income from property
Rental income from leases is recognised on a straight-line basis over the term of the lease.

Notes to the Financial Statements
For the year ended 30 June 2025

4. OPERATING REVENUE (continued)

	2025 $	2024 $
Revenue from contracts with customers		
Loan fees	421,282	328,878
Electronic transaction fees	428,568	439,389
Visa card fees	340	180
Other fees	166,224	184,681
Commissions – insurance	301,288	527,116
Commissions – card based/BPAY	174,070	174,148
Commissions – other	23,805	16,769
	1,515,577	1,671,161
Other sources of income		
Rent	53,852	42,661
Dividends	1,533	15,333
Gain on revaluation of investment property	160,000	-
Bad debts recovered	47	484
Other income	457	6,182
	215,889	64,660
Total non-interest revenue	1,731,466	1,735,821
Revenue recognised at a point in time	920,445	1,046,911
Revenue recognised over time	595,132	624,250
	1,515,577	1,671,161

5. OPERATING EXPENSES

Recognition and measurement

Operating expenses
Operating expenses are costs incurred by GMCU during its normal course of operations to generate revenue. Operating expenses are recognised when the related economic benefits are consumed, in accordance with the principles of accrual accounting. Operating expenses are measured at fair value at the time they are incurred and are recorded in the statement of profit and loss.

Depreciation
Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The maximum estimated useful lives in the current and comparative periods are as follows:

- Buildings — 40 years
- Furniture & fittings — 5 to 15 years
- Leasehold improvements — The lease term
- Motor vehicles — 5 to 15 years
- Office equipment — 3 to 15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the Financial Statements
For the year ended 30 June 2025

5. OPERATING EXPENSES (continued)

Personnel costs
Wages, salaries, annual leave, and other employee entitlements expected to be paid or settled within twelve months of the employees providing the service are measured at their nominal amounts, using the remuneration rates GMCU anticipates paying when the liabilities are settled.

For long-term service benefits, GMCU's net obligation is the future benefit employees have earned for their service in the current and previous periods. GMCU accrues these employee entitlements, such as long service leave, using an actuarial calculation. This calculation includes assumptions about staff turnover, leave usage, and future salary increases, and the resulting amount is discounted using market yields as of the reporting date.

	2025 $	2024 $
Depreciation and amortisation expense		
Depreciation of property, plant and equipment:		
Plant and equipment	191,203	189,167
Buildings	66,250	79,750
Depreciation of right-of-use assets	86,793	108,645
Amortisation of intangible assets	-	18,733
Total depreciation and amortisation expense	344,246	396,295
General and administration expense		
Personnel costs:		
- Wages and salaries	7,592,649	7,168,509
- Employee entitlements	2,515	173,632
- Superannuation contributions	770,843	705,448
Technology costs	1,881,613	1,587,521
Marketing and promotion	558,173	532,139
General administration	2,392,857	2,465,456
Other	913,265	916,409
Total general and administration expense	14,111,915	13,549,114

6. AUDITOR'S REMUNERATION

During the financial year, the following fees were paid or payable for services provided by the auditor of GMCU, and its network firms:

	2025 $	2024 $
Audit of the financial statements of the Company	109,670	103,290
Other regulatory assurance service	30,690	28,930
Other services in relation to the Company	13,475	10,362
	153,835	142,582

Notes to the Financial Statements
For the year ended 30 June 2025

7. TAXATION

Recognition and measurement

Income tax
Income tax for the periods presented comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Goods and services tax
As a financial institution, GMCU is input taxed on all income except for income from commissions and some fees. An input taxed supply is not subject to GST collection, and similarly the GST paid on related or apportioned purchases cannot be recovered. As some income is charged GST, the GST on purchases is generally recovered on a proportionate basis, using the safe harbour apportionment rate of 18% adopted per Practical Compliance Guide 2018/15 from 1 July 2018. In addition, certain prescribed purchases are subject to reduced input tax credits (RITC), of which 75% of the GST paid is recoverable.

Notes to the Financial Statements
For the year ended 30 June 2025

7. TAXATION (continued)

Income Tax Expense	**2025 $**	**2024 $**
Profit before tax	2,634,636	3,064,194
Prima facie income tax expense calculated at effective rate of 25% on net profit	658,659	766,049
Increase/(decrease) in income tax due to:		
Non-assessable income	(40,093)	(10,183)
Imputation credits	(384)	(4,217)
Under/(over) provision for income tax in prior year	88,493	(268)
Non-deductible expenses	19,785	-
Other Items	3,402	87,409
Income tax expense	729,862	838,790
Current tax expense		
Current year	475,371	838,788
Adjustments for prior year	106,974	(268)
Deferred tax expense	147,517	270
Income tax expense	729,862	838,790

Deferred Tax	**Assets**		**Liabilities**	
	2025 $	**2024 $**	**2025 $**	**2024 $**
Other Financial Assets	-	-	31,117	29,836
Loans & advances	131,572	121,085	-	-
Prepayments	-	-	103,079	-
Property, Plant and Equipment (1)	-	-	143,438	231,719
Accrued Expenses	120,479	29,309	-	-
Employee Benefits	231,034	209,904	-	-
Leases (net of ROU assets)	41,782	35,148	-	-
	524,867	395,446	277,634	261,555

(1) GMCU's land and buildings includes some property that is exempt from Capital Gains Tax ('CGT'). As such, a deferred tax liability in relation to the revaluation has only been recognised on the properties that are subject to CGT.

Notes to the Financial Statements
For the year ended 30 June 2025

7. TAXATION (continued)

	2025 $	2024 $
Income tax payable / (receivable)	(24,736)	(49,411)
Movement in taxation provision		
Balance at beginning of year	(49,411)	990,219
Under/over provision on prior year	(17,040)	-
Current year's income tax expense on profit before tax	729,862	838,788
Income tax paid – current year	(836,460)	(877,199)
Income tax refund/ (paid) – prior year	148,313	(1,001,219)
Balance at end of year	(24,736)	(49,411)

8. CASH AND CASH EQUIVALENTS

Recognition and measurement

Cash and cash equivalents comprise cash balances, deposits at call and other short-term deposits with Approved Deposit-taking Institutions that can be readily converted into cash. This includes term deposits (with an original maturity of less than 3 months), negotiable certificates of deposits (NCD) and floating rate note securities (FRNS). Negotiable certificates of deposits and floating rate note securities are held via the Austraclear system with the Reserve Bank of Australia, to enable conversion to cash. Cash and cash equivalents are recognised at the gross value of the outstanding balance. Bank overdrafts that are repayable on demand and form an integral part of GMCU's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows. The carrying amounts approximate fair value because of their short-term to maturity or are receivable on demand.

	2025 $	2024 $
Cash on hand and at bank	10,971,871	6,381,196
Interest earning deposits	81,613,808	73,515,314
	92,585,679	79,896,510
Maturity analysis		
At call	16,971,871	12,381,196
Not longer than 3 months	75,613,808	67,515,314
	92,585,679	79,896,510
Credit rating of cash & cash equivalents		
CUSCAL – rated A+	20,838,170	16,286,707
Governments - rated AA and above	-	6,014,579
Banks – rated AA and above	1,700,000	4,000,362
Banks – rated below AA	68,913,808	52,500,373
Cash on hand	1,133,701	1,094,489
	92,585,679	79,896,510

Notes to the Financial Statements

For the year ended 30 June 2025

9. INVESTMENT SECURITIES

Recognition and measurement

Investment securities are financial assets with fixed or determinable payments that are held within a business model whose objective is to hold assets to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Such assets are recognised initially at cost plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method, less any expected credit losses / impairment losses.

The fair value of investment securities that are not traded in an active market are determined using discounted cash flow analysis with terms to maturity, as closely as possible, the estimated future cash flows. The fair value of investment securities at 30 June 2025 is $89,434,605 (2024: $93,266,557).

The accrual for interest receivable is calculated on a proportional basis of the expired period of the term of the investment.

	2025 $	2024 $
Interest earning deposits	88,853,795	92,443,021
	88,853,795	92,443,021
Maturity analysis		
At call	-	-
Not longer than 3 months	-	-
Longer than 3 months and not longer than 12 months	27,039,684	38,114,077
Longer than 12 months	61,814,111	54,328,944
	88,853,795	92,443,021
Credit rating of investment securities		
CUSCAL – rated A+	9,210,000	6,710,000
Governments - rated AA and above	23,930,423	2,000,000
Banks – rated AA and above	27,667,042	27,400,755
Banks – rated below AA	28,046,330	56,332,266
	88,853,795	92,443,021

10. RECEIVABLES

Recognition and measurement

Interest receivable is recognised on an accruals basis.

	2025 $	2024 $
Interest receivable	871,033	1,323,064

Notes to the Financial Statements
For the year ended 30 June 2025

11. LOANS AND ADVANCES

Recognition and measurement

Loans and advances are measured at amortised cost using the effective interest rate method, less any expected credit losses/impairment losses.

The fair values of loans receivable excluding impaired loans are estimated using a method not materially different from discounted cash flow analysis, based on current incremental lending rates for similar types of lending arrangements. The net fair value of impaired loans was calculated by using a method not materially different from discounting expected cash flows using a rate which includes a premium for the uncertainty of the flows. The carrying amount of loans as at 30 June 2025 approximates net fair value.

It is not practicable to value all collateral as at the balance date due to the variety of assets and their condition. A breakdown of the quality of the residential mortgage security on a portfolio basis is as follows:

	2025 $	2024 $
Overdrafts	2,391,188	2,240,858
Term loans	396,814,261	372,934,706
Gross loans and advances	399,205,449	375,175,564
Provision for impairment	(526,289)	(484,341)
Net loans and advances	398,679,160	374,691,223
Maturity analysis		
Overdrafts	2,391,188	2,240,858
Remaining maturity not longer than 3 months	9,535,464	9,182,003
Remaining maturity longer than 3 and not longer than 12 months	27,215,650	26,412,754
Remaining maturity longer than 1 and not longer than 5 years	138,564,533	134,636,606
Remaining maturity longer than 5 years	221,498,614	202,703,343
	399,205,449	375,175,564
Security held against loans		
Secured by mortgage over residential property	369,450,595	338,563,449
Secured by mortgage over other property	23,595,955	32,158,854
Total loans secured by real estate	393,046,550	370,722,303
Secured by funds or Guarantee	1,976,248	421,871
Partly secured by goods mortgage	3,505,519	3,236,707
Wholly unsecured	677,132	794,683
	399,205,449	375,175,564

Notes to the Financial Statements

For the year ended 30 June 2025

11. LOANS AND ADVANCES (continued)

It is not practicable to value all collateral as at the balance date due to the variety of assets and their condition. A breakdown of the quality of the residential mortgage security on a portfolio basis is as follows:

	2025 $	2024 $
Loan to value ratio of 80% or less	338,425,701	316,570,771
Loan to value ratio of more than 80% but mortgage insured	15,242,028	10,841,092
Loan to value ratio of more than 80% not mortgage insured	15,782,866	11,151,586
	369,450,595	338,563,449

Concentration of risk

Significant individual exposures
GMCU's loan portfolio does not include any loans or advances which represents 10% or more of capital.

Geographical concentrations
GMCU has an exposure to groupings of individual loans which concentrate risk and create exposure to the geographical areas of Shire of Campaspe, Shire of Moira, Shire of Strathbogie, Shire of Mitchell, Benalla Rural City and The Greater Shepparton City.

	2025 $	2024 $
- Victoria	372,785,315	355,644,103
- New South Wales	15,606,293	12,409,086
- Other	10,813,841	7,122,375
	399,205,449	375,175,564

Notes to the Financial Statements
For the year ended 30 June 2025

12. IMPAIRMENT OF LOANS AND ADVANCES

Recognition and measurement

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the "expected credit loss model" (ECL). In applying this forward-looking approach, a distinction is made between:

- Financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('Stage 1'); and
- Financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- Financial assets that have objective evidence of impairment (loans in default) at the reporting date ('Stage 3').

Measurement of ECL

GMCU applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets that are not measured at fair value through profit or loss.

- 12-months ECL (Stage 1) - The portion of lifetime ECL associated with the probability of default events occurring within the next 12 months.
- Lifetime ECL – not impaired (Stage 2) - ECL associated with the probability of default events occurring throughout the life of an instrument.
- Lifetime ECL – impaired (Stage 3) - Lifetime ECL, but interest revenue is measured based on the carrying amount of the instrument net of the associated ECL.

Exposures are assessed on a collective basis in Stage 1, and on individual basis in Stage 2 and Stage 3.

At each reporting date, GMCU assesses the credit risk of exposures in comparison to the risk at initial recognition, to determine the stage that applies to the associated ECL measurement. If the credit risk of an exposure has increased significantly since initial recognition, the asset will migrate to Stage 2. If no significant increase in credit risk is observed, the asset will remain in Stage 1. Should an asset become credit-impaired it will be transferred to Stage 3.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by GMCU on terms that GMCU would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost of effort at the reporting rate about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements
For the year ended 30 June 2025

12. IMPAIRMENT OF LOANS AND ADVANCES (continued)

Critical accounting estimates and judgements in the ECL
A number of significant judgements are required in applying the accounting requirements for measuring ECL, which are detailed below:

Assumptions used for estimating impairment
In assessing the impairment of financial assets under the expected credit loss model, GMCU defines default as occurring when a loan obligation is past 90 days due. The definition of default aligns with that applied by APRA for regulatory reporting purposes, and the criteria used for internal credit risk management purposes.

Assessment of significant increase in credit risk
In determining whether the risk of default has increased significantly since recognition, GMCU considers both quantitative and qualitative factors. These include:

- When a loan reaches 30 days past due;
- Loans with approved hardship or modified terms.

Calculation of expected credit losses
Expected credit losses (ECLs) are calculated using three main parameters i.e. a probability of default (PD), a loss given default (LGD) and an exposure at default (EAD). These parameters are derived from industry standards and historical loss models.

For accounting purposes, the 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance date.

The LGD represents expected loss conditional on default, taking into account the mitigating effect of collateral and its expected value when realised.

The EAD represents the expected exposure at default.

The 12-months ECL is equal to the sum over the next 12-month PD multiplied by LGD and EAD. Lifetime ECL is calculated using the sum of PD over the full remaining life multiplied by LGD and EAD.

Notes to the Financial Statements
For the year ended 30 June 2025

12. IMPAIRMENT OF LOANS AND ADVANCES (continued)

Incorporation of forward looking information
GMCU has taken into consideration several macro-economic factors including unemployment rate, gross domestic product, housing price index and interest rates. The affects these data points have on ECL are reviewed regularly.

GMCU considers the ECL to represent its best estimate of the possible outcomes and is aligned with information used by GMCU for other purposes, such as strategic planning and budgeting. Periodically, GMCU carries out stress testing of more extreme shocks to calibrate its determination of other potential scenarios.

Grouping of loans for losses measured on a collective basis
For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. GMCU has elected to use the following segments when assessing credit risk for Stage 1 of the ECL model:

- Mortgage loans – over 80% loan-to-valuation ratio, and no lenders mortgage insurance
- Mortgage loans – under 80% loan-to-valuation ratio or lenders mortgage insurance
- Personal loans – secured and unsecured
- Secured by funds
- Overdrafts / overdrawn

	2024 $	2024 $
Total provision comprises of		
Expected credit loss allowance	526,289	484,341
Total provision	526,289	484,341

Amounts arising from expected credit loss:
An analysis of GMCU's credit risk exposure per class of financial asset and "stage" without reflecting the effects of any collateral or other credit enhancements is demonstrated in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Notes to the Financial Statements
For the year ended 30 June 2025

12. IMPAIRMENT OF LOANS AND ADVANCES (continued)

Reconciliation of allowance for impairment
The reconciliations from the opening to the closing balance of the allowance for impairment by class of financial instrument is shown in the table below:

Credit risk exposure under expected credit loss - 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loan category	**2025**	**2025**	**2025**	**2025**
	$	**$**	**$**	**$**
Mortgages loans – secured by property (residential and commercial)	387,665,941	2,979,664	2,400,945	393,046,550
Personal loans – secured & under secured (including overdrafts/overdrawn)	5,808,316	23,764	326,819	6,158,899
Secured by funds	-	-	-	-
Total carrying amount – gross	393,474,257	3,003,428	2,727,764	399,205,449
Less expected credit loss allowance	(133,596)	(32,039)	(360,654)	(526,289)
Total carrying amount – net	393,340,661	2,971,389	2,367,110	398,679,160
Security analysis -Stage 2 & Stage 3				
Estimated collateral – after discount	N/A	3,411,800	3,739,400	N/A

Credit risk exposure under expected credit loss - 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loan category	**2024**	**2024**	**2024**	**2024**
	$	**$**	**$**	**$**
Mortgages loans – secured by property (residential and commercial)	367,252,850	956,691	2,512,763	370,722,304
Personal loans – secured & under secured (including overdrafts/overdrawn)	4,205,513	10,715	237,032	4,453,260
Secured by funds	-	-	-	-
Total carrying amount – gross	371,458,363	967,406	2,749,795	375,175,564
Less expected credit loss allowance	(115,001)	(2,662)	(366,678)	(484,341)
Total carrying amount – net	371,343,362	964,744	2,383,117	374,691,223
Security analysis -Stage 2 & Stage 3				
Estimated collateral – after discount	N/A	1,837,500	3,678,500	N/A

Notes to the Financial Statements
For the year ended 30 June 2025

12. IMPAIRMENT OF LOANS AND ADVANCES (continued)

Reconciliation of allowance for impairment
The reconciliations from the opening to the closing balance of the allowance for impairment by class of financial instrument is shown in the table below:

Movement category	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2024	115,001	2,662	366,678	484,341
Transfers between stages	-	-	-	-
Movement due to increase in loans & advances	18,594	-	14,589	33,183
Movement due to change in credit risk	-	29,377	(5,073)	24,304
Bad debts written off from provision	-	-	(15,540)	(15,540)
Changes in model/risk parameters	-	-	-	-
Balance at 30 June 2025	133,595	32,039	360,655	526,288

During the 2025 financial year, there was no significant change to the gross carrying amount of financial instruments subject to the expected credit loss provision.

Movement category	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2023	103,132	30,730	299,569	433,431
Transfers between stages	-	(2,527)	2,527	-
Movement due to increase in loans & advances	11,869	-	-	11,869
Movement due to change in credit risk	-	(25,541)	78,802	53,261
Bad debts written off from provision	-	-	(14,220)	(14,220)
Changes in model/risk parameters	-	-	-	-
Balance at 30 June 2024	115,001	2,662	366,678	484,341

Notes to the Financial Statements

For the year ended 30 June 2025

12. IMPAIRMENT OF LOANS AND ADVANCES (continued)

Loans restructured

During the year, some loans that were previously past due or impaired, have been restructured by GMCU.

	2025 $	2024 $
Loans restructured at beginning of financial year	3,881,209	5,140,873
Loans restructured during the financial year	10,035,690	5,856,826
Loans restructured/transferred to impaired status during financial year	(771,453)	-
Loans restructured/transferred to non-impaired status during financial year	(6,929,714)	(7,116,490)
Balance at the end of the financial year	6,215,732	3,881,209

13. OTHER FINANCIAL ASSETS

Recognition and measurement

AASB 9 requires GMCU's equity investments in other financial assets to be held at fair value. GMCU has elected for these to be held at fair value through other comprehensive income (FVOCI).

Subsequent movements in fair value are recognised in other comprehensive income and never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss, unless the dividend clearly represents return of capital.

GMCU has estimated the fair value of the equity investments within other financial assets utilising the net asset of the underlying Companies from the most recent financial statements available.

Notes to the Financial Statements

For the year ended 30 June 2025

13. OTHER FINANCIAL ASSETS (continued)

Equity investment securities designated as fair value through other comprehensive income (FVOCI) – held at fair value:

	2025 $	2024 $
Shares in TransAction Solutions Limited trading as Experteq (a)	140,051	134,928
	140,051	134,928

(a) TransAction Solutions Limited trading as Experteq

TransAction Solutions Limited (TAS) trading as Experteq primary function is to provide a secure and stable platform for the Ultradata Credit Union Solution and Ultracs retail banking software used by the TAS Managed Services user group, of which GMCU is a party. TAS is an unlisted public company. The shares held by GMCU are not tradeable in an open market. GMCU is not intending to dispose of these shares.

As a level 3 asset, Management have used unobservable inputs to assess the fair value of the shares. The financial reports of TAS record net tangible asset backing of these shares exceeding their cost value. Based on the net assets of TAS, any fair value determination on these shares is likely to be greater than their cost value, but due to the absence of a deep and liquid market, a market value is not able to be determined readily. Management has determined that the net tangible asset per share (from the latest available financial statement) is a reasonable approximation of fair value based on the likely value available on a sale.

14. INTANGIBLE ASSETS

Recognition and measurement

Items of computer software which are not integral to the computer hardware owned by GMCU are classified as intangible assets.

Computer software is amortised over the expected useful life of the software. The maximum estimated useful lives in the current and comparative periods are as follows:

- Computer software and licences 5 years

	2025 $	2024 $
Computer software & licences		
At cost	-	-
Provision for amortisation	-	-
Carrying Amount	-	-

Notes to the Financial Statements

For the year ended 30 June 2025

14. INTANGIBLE ASSETS (continued)

(a) Reconciliations

Reconciliations of the carrying amounts for each class of intangible assets are set out below:

	2025 $	2024 $
Computer software & licences		
Balance at beginning of the year	-	39,324
Acquisitions	-	-
Disposals	-	(20,591)
Less amortisation	-	(18,733)
Balance at end of the year	-	-

15. PROPERTY, PLANT & EQUIPMENT

Recognition and measurement

Land and buildings
Land and buildings are shown at fair value, less subsequent depreciation and impairment for buildings. Land is not depreciated.

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company's land and buildings and investment property on a three-year valuation cycle.

Investment property
Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Fair value is assessed annually.

Rental income from investment properties is accounted for as described in Note 4.

When an item of property, plant and equipment is transferred to investment properties following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained profits. Any loss arising in this manner is recognised immediately in the statement of profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, fixtures and fittings and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the Financial Statements

For the year ended 30 June 2025

15. PROPERTY, PLANT & EQUIPMENT (continued)

Leasehold improvements
Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Depreciation
The accounting policy for depreciation is outlined in Note 5.

Disposals
An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any Asset Revaluation Reserve surplus relating to the item disposed of is transferred directly to retained profits.

Low value assets
Assets with a purchase price less than $1,000 are not capitalised.

	Land	***Buildings***	***Investment Property***	***Plant and equipment***	***Total***
	$	**$**	**$**	**$**	**$**
2024					
At Cost/ Fair Value	2,510,000	3,190,000	880,000	1,985,914	8,565,914
Accumulated Depreciation	-	(173,000)	-	(1,117,340)	(1,290,340)
Carrying Amount	2,510,000	3,017,000	880,000	868,574	7,275,574
2025					
At Cost/ Fair Value	2,525,000	2,845,000	1,040,000	1,966,142	8,376,142
Accumulated Depreciation	-	-	-	(1,229,155)	(1,229,155)
Carrying Amount	2,525,000	2,845,000	1,040,000	736,987	7,146,987

Notes to the Financial Statements

For the year ended 30 June 2025

15. PROPERTY, PLANT & EQUIPMENT (continued)

(a) Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Land	*Buildings*	*Investment Property*	*Plant and equipment*	*Total*
	$	$	$	$	$
Balance at 1 July 2023	2,510,000	3,096,750	880,000	877,563	7,364,313
Additions	-	-	-	197,572	197,572
Revaluations through OCI	-	-	-	-	-
Revaluation through P&L	-	-	-	-	-
Disposals	-	-	-	(17,394)	(17,394)
Depreciation	-	(79,750)	-	(189,167)	(268,917)
Balance at 30 June 2024	2,510,000	3,017,000	880,000	868,574	7,275,574
Balance at 1 July 2024	2,510,000	3,017,000	880,000	868,574	7,275,574
Additions	-	-	-	82,034	82,034
Revaluations through OCI	15,000	(105,750)	-	-	(90,750)
Revaluation through P&L	-	-	160,000	-	160,000
Disposals	-	-	-	(22,418)	(22,418)
Depreciation	-	(66,250)	-	(191,203)	(257,453)
Balance at 30 June 2025	2,525,000	2,845,000	1,040,000	736,987	7,146,987

(b) Valuations

Land and buildings owned by the Company were independently valued during the 2025 financial year based on market values.

GMCU has occupied land and buildings at Shepparton, Benalla, Seymour, Kyabram and Numurkah and investment properties comprises commercial properties at Shepparton and Kyabram. Investment properties are leased or available for lease to third parties. Each of the leases contains an initial non-cancellable period. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

All properties were valued in May 2025 by WBP Group Pty Ltd accredited independent valuers. GMCU occupied land and buildings received a market value of $5,370,000 and investment properties a market value of $1,040,000. The fair value was based on a capitalisation of income supported by direct comparison to comparable properties on a rate per square metre.

The Directors believe that the valuations held are a reasonable approximation of fair value and have been recognised on this basis as at 30 June 2025.

Notes to the Financial Statements

For the year ended 30 June 2025

16. OTHER ASSETS

Recognition and measurement

Sundry debtors are recognised at fair value and collectability of sundry debtors is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off when identified.

	2025 $	2024 $
Prepayments	626,853	536,713
Sundry debtors	610,218	435,688
	1,237,071	972,401

17. DEPOSITS

Recognition and measurement

Deposits are recognised at fair value. After initial recognition, deposits are subsequently held at amortised cost .

	2025 $	2024 $
On call deposits	333,829,513	305,105,319
Term deposits	182,248,388	184,572,284
	516,077,901	489,677,603
Maturity analysis		
On call	333,829,513	305,105,319
Not longer than 3 months	69,455,265	52,792,110
Longer than 3 and not longer than 12 months	109,346,225	130,817,704
Longer than 1 and not longer than 5 years	3,446,898	962,470
	516,077,901	489,677,603

Notes to the Financial Statements

For the year ended 30 June 2025

17. DEPOSITS (continued)

Concentration of deposits
The Company operates in the bond areas set out in the Company's rules. This area generally covers the Shire of Campaspe, Shire of Moira, Shire of Strathbogie, Shire of Mitchell, Benalla Rural City and the Greater Shepparton City.

	2025 $	2024 $
Victoria	497,254,295	474,693,106
Other States	18,823,606	14,984,497
	516,077,901	489,677,603

18. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Recognition and measurement

Trade creditors
Trade creditors and accruals are on contractual terms and are generally payable within one to three months. Trade creditors are recognised when GMCU becomes a party to the contractual provisions of the purchase agreement.

Trade creditors are initially measured at fair value, which is typically the invoice amount. After initial recognition, trade creditors are measured at amortised cost using the effective interest method. If the payment terms are within the normal credit period, trade creditors are measured at their nominal amounts, as the impact of discounting is usually immaterial.

Accrued Interest payable
Interest on deposits is calculated on the daily balance and posted to the accounts periodically, or on monthly, maturity or redemption of the term deposit. Interest on deposits is brought to account on an accrual basis in accordance with the interest rate terms and conditions of each deposit and term deposit account as varied from time to time.

Accrued expenses
Accrued expenses are recognised when GMCU has incurred an expense as of the reporting date, but the related invoice has not yet been received or processed.

Accrued expenses are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

This involves considering all relevant information, including past experience, contracts, and agreements. The amounts are recognised at their nominal values, as the time value of money is generally not significant for short-term obligations.

Notes to the Financial Statements

For the year ended 30 June 2025

18. ACCOUNTS PAYABLE AND OTHER LIABILITIES (continued)

	2025 $	2024 $
Trade creditors	1,619,919	709,359
Accrued interest payable	4,129,488	4,074,779
Accrued expenses	4,370,915	684,151
	10,120,322	5,468,289

19. EMPLOYEE BENEFITS

Recognition and measurement

Short term benefits
Liabilities for employee benefits for wages, salaries and annual leave expected to be taken within 12 months represent present obligations resulting from employees services provided to reporting date, calculated at undiscounted amounts based on remuneration wages and salary rates that GMCU expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax. Annual leave expected to be taken after 12 months is discounted back to present value using the rates attached to high quality corporate bond rates at balance date.

Long term service benefits
GMCU's net obligation in respect of long term service benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to high quality corporate bonds at the balance date which have maturity dates approximating to the terms of GMCU's obligations.

	2025 $	2024 $
Salaries and wages accrued	118,722	127,675
Liability for long service leave	357,045	394,254
Liability for annual leave	486,762	445,360
	962,529	967,289

Included in employee benefits is a non-current amount of $82,975 (2024: $84,851) relating to long service leave.

Notes to the Financial Statements

For the year ended 30 June 2025

20. LEASES

Recognition and measurement

Credit Union as a lessee

At inception of a contract, GMCU assesses whether a lease exists – i.e. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

The right-of-use asset using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then GMCU's incremental borrowing rate is used. Typically, GMCU uses its incremental borrowing rate as the discount rate.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

GMCU has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (defined by GMCU as $10,000). GMCU recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets such as software licences continue to be accounted for under AASB 138 *Intangible Assets*, regardless of whether the arrangement would otherwise meet the AASB 16 Leases definition.

For all asset classes, arrangements containing both lease components and non-lease components will be accounted for separately.

Credit Union as a Lessor

The lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

Notes to the Financial Statements

For the year ended 30 June 2025

20. LEASES (continued)

Operating leases
Operating lease payments, net of any incentives received from the lessor, are recognised as income on a straight-line basis over the term of the lease.

(a) GMCU as a lessee

Nature of the leasing activities
GMCU leases properties at Echuca, Euroa, Violet Town, Kilmore and Mooroopna, which are used as member service centres.

Terms and conditions of leases
Two leases are on a month by month basis, while the other three leases have initial terms of between 3 and 10 years. Some of the leases include extension options – as detailed in a below section.

The leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception, or a fixed rate designed to estimate a CPI movement. There are no variable lease payments associated with these property leases.

There are no leases not yet commenced to which the lessee is committed.

Right-of-use assets

	2025 $	2024 $
At cost	1,513,369	1,367,082
Addition	8,613	146,287
Accumulated depreciation	(597,522)	(510,728)
Balance at end of the year	924,460	1,002,641

Reconciliation of the carrying amount of Land and Building right-of-use assets is set out below:

	2025 $	2024 $
Balance at beginning of year	1,002,641	964,999
Depreciation charge	(86,794)	(108,645)
Additions to right- of-use assets	8,613	146,287
Balance at end of the year	924,460	1,002,641

Notes to the Financial Statements

For the year ended 30 June 2025

20. LEASES (continued)

Lease liabilities

	2025 $	2024 $
Not later than 1 year	68,426	60,223
Later than 1 year	1,023,162	1,083,012
Total	1,091,588	1,143,235

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown below.

	2025 $	2024 $
Not later than 1 year	141,815	146,785
Later than 1 year and not later than 5 years	598,798	598,154
Later than 5 years	850,131	992,191

GMCU does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within GMCU's finance function.

Extension options

A number of the building leases contain extension options which allow GMCU to extend the lease term by beyond the non-cancellable period. These option periods range from 3 years to 15 years across these leases.

GMCU includes options in the leases to provide flexibility and certainty to GMCU operations and reduce costs of moving premises, and the extension options are at GMCU's discretion.

At commencement date and each subsequent reporting date, GMCU assesses where it is reasonably certain that the extension options will be exercised.

All potential future lease payments are included in the lease liabilities, as GMCU has assessed that the exercise of each option is reasonably certain as a balance date.

Notes to the Financial Statements

For the year ended 30 June 2025

20. LEASES (continued)

Income statement

The amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income relating to leases where GMCU is a lessee are shown below:

	2025 $	2024 $
Interest expense on lease liabilities	86,616	87,733
Rental expense relating to variable lease payments not included in the measurement of lease liabilities	73,827	50,759
Rental expense relating to short-term leases	43,644	16,489
Rental expense relating to low-value assets	27,396	32,377
Statement of cash flows		
Total cash outflow for leases	87,790	81,031

Key assumptions used in calculations

The calculation of the right-of-use assets and lease liabilities are dependent on the following critical accounting judgements:

- **Estimation of lease term** – as discussed above, this reflects consideration of extension options on a lease by lease basis.
- **Determination of the appropriate rate to discount the lease payments** – GMCU has used its incremental borrowing rate, as the rate implicit in the leases is not known. This was determined based on consideration of reference rates for commercial lending, lease term and a lease specific adjustment considering the 'secured borrowing' element of the leases.

(b) GMCU as a lessor

OPERATING LEASES

Nature of the leasing activities

GMCU receives rental income from various tenants who lease a portion of the land and buildings owned by GMCU at Shepparton and Kyabram. These leases have been classified as operating leases for financial reporting purposes and the assets are included as investment properties in the Statement of Financial Position (refer Note 15).

Terms and conditions of leases

These operating lease contracts contain extension options at the right of the lessee. All contracts contain market review clauses in the event that the lessee exercises its options to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

GMCU manages the risk associated with the underlying investment properties via appropriate insurance coverage and use of real estate agents where appropriate.

Notes to the Financial Statements

For the year ended 30 June 2025

20. LEASES (continued)

Income statement
The amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income relating to operating leases where GMCU is a lessor (i.e. investment properties) are shown below:

	2025 $	2024 $
Lease/rental income relating to variable lease payments not dependent on an index or rate	53,852	42,661
Total lease/rental income relating to investment properties	53,852	46,661
Direct operating expenses (including repairs & maintenance) arising from investment property that generated rental income during the period	11,196	-
Total direct operating expenses relating to investment properties	11,196	-

Maturity analysis of lease payments receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

	2025 $	2024 $
< 1 year	50,611	54,982
1-2 years	24,989	31,407
2-3 years	15,218	4,333
Total undiscounted lease payments receivable	90,818	90,722

FINANCE LEASES

Nature of the leasing activities
GMCU is not the lessor in any arrangements assessed as a finance lease.

Notes to the Financial Statements

For the year ended 30 June 2025

21. RESERVES

Recognition and measurement

Member share redemption reserve
In February 2024, ASIC withdrew Regulatory Guide 68 which detailed the requirements to hold a 'redeemed share capital reserve' in a separate reserve within the Statement of Changes in Equity.

In response, GMCU has transferred this reserve back to retained profits as at 30 June 2025, with any future redemptions to be made directly from retained profits.

Asset revaluation reserve
The asset revaluation reserve relates to the revaluation of land and buildings.

Financial asset reserve
The financial asset reserve relates to the revaluation of equity investments (other financial assets) classified as fair value through other comprehensive income.

	2025 $	2024 $
Member Share Redemption Reserve	-	96,135
Asset Revaluation Reserve	3,051,582	3,168,582
Financial Asset Reserve	93,282	89,439
Total Reserves	3,144,864	3,354,156

Notes to the Financial Statements

For the year ended 30 June 2025

22. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

(a) Cash flow from operating activities

	2025 $	2024 $
Profit after income tax	1,904,774	2,225,404
Non cash flows in operating surplus/(deficit):		
Charge/(Reversal) for bad and doubtful debts	57,487	65,713
Depreciation of property, plant & equipment	257,453	268,917
Depreciation of right of use asset	86,793	108,645
Amortisation of intangible assets	-	18,733
Loss on sale of plant & equipment	22,418	19,803
Gain on revaluation of investment properties	(160,000)	-
Changes in assets and liabilities:		
Increase/(Decrease) in employee benefits	(4,759)	301,307
(Increase)/Decrease in receivables	452,031	83,551
(Increase)/Decrease in deferred tax asset	(129,421)	(34,456)
(Increase)/Decrease in current tax asset	24,675	(49,411)
(Increase)/Decrease in other assets	(264,670)	26,800
Increase/(Decrease) in accounts payable	4,652,033	451,168
Increase/(Decrease) in income tax payable	-	(990,219)
Increase/(Decrease) in deferred tax liability	16,079	35,901
Net cash from revenue activities	6,914,893	2,531,856
Add/Deduct non revenue operations:		
(Increase)/Decrease in loans and advances	(24,045,424)	(36,202,159)
Increase/(Decrease) in deposits and short-term borrowings	26,400,298	22,918,633
Cash flow from operating activities	9,269,767	(10,751,670)

(b) Cash flows presented on a net basis

Cash flows arising from the following activities are presented on a net basis in the statement of cash flows:

(i) member deposits to and withdrawals from deposit accounts;
(ii) borrowings and repayments on loans, advances and other receivables; and
(iii) investment securities including shares in special service providers and unlisted shares.

Notes to the Financial Statements

For the year ended 30 June 2025

22. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES (continued)

(c) Bank overdraft facility

GMCU has an overdraft facility available to the extent of $5,000,000 (2024: $5,000,000). This facility is provided by Cuscal Limited (Cuscal) and is subject to funds being available from Cuscal at the time of drawdown and incurs interest at 6.35% (2024: 6.85%). As at 30 June 2025 the utilised portion of the facility was $Nil (2024: $Nil).

GMCU has an Overdraft Security Deposit held with Cuscal. The conditions of the Overdraft Security Deposit held with Cuscal are detailed below.

(d) CUSCAL – Settlement Security Deposit and Overdraft Security Deposit

GMCU's agreement with Cuscal includes the following security deposits:

- a Settlement Security Deposit (or "SSD")
- an Overdraft Security Deposit (or "OSD")

The Settlement Security Deposit is a security deposit held against GMCU's settlement obligations with Cuscal and is held in a floating rate deposit account with Cuscal that reprices quarterly. The value of the deposit held is $9,210,000.

The Overdraft Security Deposit is a security deposit held against GMCU's overdraft with Cuscal and is held in a floating rate deposit account with Cuscal that reprices quarterly. The value of the deposit held is $5,000,000.

GMCU has classified the SSD as a receivable from other financial institution and the OSD as cash and cash equivalents in the statement of financial position and Note 8 on the basis of a determination made by the prudential regulator (APRA) that the Settlement Security Deposit is for the purpose of facilitating or securing settlement obligations, deposits relating to industry support schemes are to be utilised for a prudential purpose and thus can be included as part of GMCU's prudential liquidity holding. GMCU has therefore included the SSD and OSD in its calculation of MLH disclosed in Note 26 – Risk Management Objectives and Policies.

GMCU has also treated the SSD and OSD in accordance with its accounting policy for cash and cash equivalents and receivables from other financial institutions for the purpose of interest rate risk and the maturity profile of financial assets in Note 27 - Financial Instruments notwithstanding the existence of these specific contractual encumbrances.

Notes to the Financial Statements

For the year ended 30 June 2025

23. CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

In the normal course of business, GMCU enters into various types of contracts that give rise to contingent or future obligations. These contracts generally relate to the financing needs of customers. The total credit related commitments and the financial guarantees do not necessarily represent future cash requirements.

GMCU uses the same credit policies and assessment criteria in making commitments and conditional obligations for off-balance sheet risks as it does for on-balance sheet loan assets.

Credit related commitments include approved but undrawn loans, credit limits and loan redraw facilities.

Security analysis of credit related commitments	**Credit related commitments**		**Financial guarantees**	
Secured by:	**2025**	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Secured by mortgage over real estate	12,116,046	11,001,260	103,489	85,472
Secured by funds	118,413	104,380	63,098	57,268
Partly secured by goods mortgage	43,821	80,410	-	-
Fully unsecured	765,279	1,213,559	-	-
Total	13,043,559	12,399,609	166,587	142,740

Other contingent liabilities
GMCU is a party to the Credit Union Financial Support System (CUFSS) and has executed an Industry Support Contract (ISC) with CUFSS. The purpose of the CUFSS scheme is to provide members with emergency liquidity support in accordance with the terms of the ISC, a contract which has been certified by APRA under the Banking Act.

As a member of CUFSS, GMCU may be called upon by CUFSS to contribute to emergency liquidity loans for one or more other CUFSS members. Should GMCU be required to contribute funding, any such liquidity loans would be structured and priced in accordance with normal commercial terms, as determined by CUFSS. The total amount of funding that GMCU could be required to provide to other members cannot exceed, in aggregate, 3% of GMCU's assets capped at $100 million.

24. OUTSOURCING ARRANGEMENTS

GMCU has an economic dependency on Cuscal Limited for the rights to VISA cards, transfer of electronic funds, settlement with banks and access to the direct entry system, TransAction Solutions Limited trading as Experteq for electronic data processing, and Ultradata Australia Pty Ltd for the application software utilised by the Company.

Notes to the Financial Statements

For the year ended 30 June 2025

25. KEY MANAGEMENT PERSONNEL

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of GMCU, directly or indirectly and has been taken to comprise the Directors and members of the Executive Management team who are responsible for the day-to-day financial and operational management of GMCU. There were 7 Directors during the reporting period (2024: 7) and 12 members of the Executive Management team during the reporting period (2024: 12).

Transactions with key management personnel
In addition to their salaries, the Company also provides banking services and products to key management personnel as outlined below.

Key management personnel compensation
The key management personnel compensation included in “personnel costs” (see Note 5) are as follows:

	2025 $	**2024 $**
Short-term employee benefits	2,161,841	2,438,828
Other long term benefits	(23,634)	(5,462)
Post employment benefits	230,082	248,953
	2,368,289	2,682,319

The above excludes out of pocket reimbursements. All remuneration to Directors was approved by members at a Special General Meeting of the Company.

Loans to key management personnel and other related parties
The table below explains GMCU’s loans to key management personnel during 2025 and 2024 financial years:

	2025 $	**2024 $**
Beginning of the year	1,571,186	951,323
Loan advanced	1,417,000	1,483,091
Loan repayments received	(400,430)	(889,331)
Fees charged	32	-
Interest received	64,918	26,103
End of Year	2,652,706	1,571,186

Notes to the Financial Statements

For the year ended 30 June 2025

25. KEY MANAGEMENT PERSONNEL (continued)

All loans to Directors and key management personnel by GMCU have been made in the normal course of business and on the normal commercial terms and conditions. A concessional loan rate facility is available to qualifying staff.

Revolving credit facilities $Nil (2024: $Nil) were made available to Directors and key management personnel during the year. The aggregate amount receivable at 30 June 2025 was $Nil (2024: $Nil).

For all loans to non-executive directors and their related parties, interest is payable at prevailing market rates. Interest rates on loans to executive staff may be discounted by a maximum of 0.5% for housing loans and 2% for other loans. The principal amounts are repayable at any time. Interest is charged monthly. All housing loans are secured by registered first mortgage over the borrowers residences.

There were no other amounts receivable at 30 June 2025 (2024: $Nil) nor were any other loans advanced during the period.

Deposits from key management personnel and other related parties

	2025 $	2024 $
Total value Term and Saving Deposits from key management personnel	1,164,498	1,261,324
Total interest paid on deposits to key management personnel	6,245	1,100

GMCU's policy for receiving deposits from key management personnel is that all transactions are approved and deposits accepted on the same terms and conditions which applied to members for each type of deposit.

Other key management personnel transactions with the Company
From time to time the key management personnel of GMCU and their related parties may conduct banking related transactions with GMCU. These transactions are on the same terms and conditions as those entered into by other members, with the exception of transactions which incur a fee.

No members of key management persons of GMCU, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

Each key management personnel would hold at least one share in the Company.

Notes to the Financial Statements
For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES

Introduction

The Board has overall responsibility for the establishment and oversight of GMCU's risk management framework. The Board has approved a policy of compliance and risk management to suit the risk profile of GMCU.

GMCU's risk management focuses on the major areas of market risk, credit risk and operation risk. Authority flows from the Board to the Risk Committee which is integral to the management of risk.

Risk management policies are established to identify and analyse the risks faced by GMCU, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and GMCU's activities. GMCU through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The main elements of risk governance are as follows:

Board: This is the primary governing body. It approves the level of risk which the Company is exposed to and the framework for identifying, monitoring, managing, mitigating and reporting those risks. The Board has a developed a Risk Appetite framework that provides the facilitation of the Risk Profile of the Company.

Risk Committee: This is the key body in the control of risk within the Company. It consists of representatives from the Board of Directors. The Risk Committee is responsible for oversight of implementation and operation of risk systems.

Audit Committee: This is the key body to oversee and control the management and presentation of financial information of the Company. It consists of representatives from the Board of Directors. The Audit Committee also facilitates the External and Internal Auditor arrangements and reviews the effectiveness of risk systems.

Asset & Liability Committee ('ALCO'): This is a committee of Senior Management that meets at least monthly on the overall identification, monitoring, management, mitigation and reporting of operational issues, and ensures that policies and procedures adopted by the Board are implemented.

Chief Risk Officer: This role has responsibility for the development and implementation of the risk management framework and policies, and providing assistance to Board, management and staff in all aspects of risk management. The Chief Risk Officer role is performed by the Chief Corporate Services Officer and reports directly to the Chief Executive Officer; attends the Audit Committee and Risk Management Committee meetings; and has access to the Board of Directors.

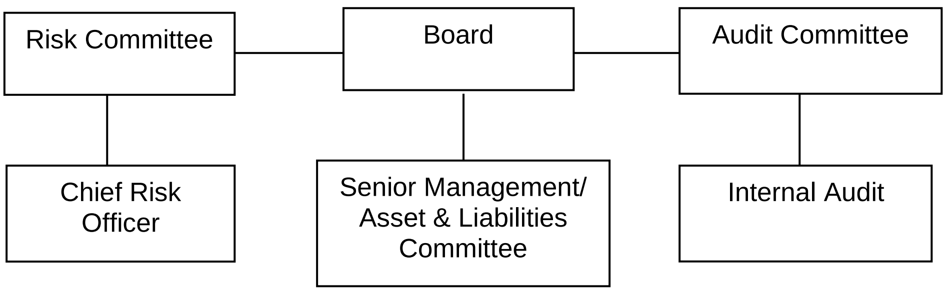
Internal Audit: Internal audit has responsibility for implementing the controls testing and assessment in line with the Board's Compliance Plan / Audit Calendar.

Notes to the Financial Statements

For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Introduction (continued)
The following diagram gives an overview of the structure.



The Company has undertaken the following strategies to minimise the risks arising from financial instruments:

Market risk
The objective of GMCU's market risk management is to monitor and understand the organisation's market risk exposures so that appropriate action can be taken on a timely basis in order to optimise risk and return for the benefit of members.

Market risk is the risk that changes in interest rates, or other prices and volatilities will have an adverse effect on the Company's financial condition or results. GMCU does not trade in the financial instruments it holds. GMCU is primarily exposed to interest rate risk arising from changes in market interest rates.

There has been no change in the way GMCU manages and measures market risk in the reporting period.

Interest rate risk
Interest rate risk is the risk of variability of the fair value or future cash flows arising from financial instruments due to the changes in interest rates.

The Company is exposed to interest rate risk in its banking book due to mismatches between the repricing dates of its assets and liabilities.

In the banking book the most common risk GMCU faces arises from its net open position on its portfolio of fixed rate assets and liabilities. This exposes GMCU to the risk of adverse interest rate changes.

The level of mismatch on the banking book is set out in Note 27 below. The table set out in Note 27 displays the period that each asset and liability will reprice as at the balance date. This risk is not considered significant to warrant the use of derivatives to mitigate this risk.

GMCU manages its interest rate risk by the regular monitoring of its net open position. GMCU ALCO undertakes this monitoring. Executives meet periodically to review both GMCU's rate and those of its competitors. From this group adjustments are made as considered necessary.

Notes to the Financial Statements

For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

Responsibility for interest rate pricing is delegated to senior management and communicated to the Board as part of standard periodic reporting. The executive group monitor margins and positions and respond to assessed exposures through either sourcing facilities or through targeted product marketing and promotions to rectify the imbalance to within acceptable levels.

GMCU manages the proportion of long term fixed rate facilities within its total loan book. If deemed necessary, GMCU prefers to source offsetting fixed rate funding in order to have certainty regarding the margin to be realised.

GMCU has obtained more sophisticated interest rate monitoring tools to allow it to analyse its position and address the periodic regulatory reporting to APRA.

Based on independent VaR calculations as at 30 June 2025 using a 10-day holding period and a 99% confidence level, the VaR was $487,550 at 0.78% of capital (2024: $558,966 at 0.93% of capital).

Based on independent EaR calculations as at 30 June 2025 using a shift in interest rates of 100 basis points for one year, EaR was $1,605,498 (2024: $1,604,919).

Liquidity risk

Liquidity risk is the risk that GMCU may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments or member withdrawal demands. Both APRA and the Board of Directors have a policy that GMCU maintains adequate cash reserves and committed credit facilities to meet the member withdrawal demands when requested.

GMCU manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows,
- Monitoring the maturity profiles of financial assets and liabilities,
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities, and
- Monitoring the prudential liquidity ratio daily.

Credit Union Financial Support Services liquidity support scheme

GMCU is a party to the Credit Union Financial Support Scheme (CUFSS) and has executed an Industry Support Contract (ISC) with CUFSS. The purpose of the CUFSS scheme is to provide members with emergency liquidity support in accordance with the terms of the ISC, a contract which has been certified by APRA under the Banking Act.

As a member of CUFSS, GMCU can access emergency liquidity funding via CUFSS drawing upon its available member-contributed funding pool (currently totalling in excess of $900 million), plus additional voluntary liquidity support from members via funds from the Reserve Bank of Australia in accordance with the terms of a “Special Loan Facility”, as defined in the ISC.

CUSCAL

GMCU holds a total of $11,710,000 in Settlement Security Deposit and Overdraft Security Deposit with Cuscal which is detailed at Note 22 (c) and (d). Under this arrangement, Cuscal facilitate the settlement obligations of GMCU.

Notes to the Financial Statements

For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the financial assets and financial liabilities, based on the contractual repayment terms are set out in the notes.

The liquidity ratio as at the end of the financial year was:

	2025	2024
Minimum Liquidity Holdings	27.68%	27.35%

Credit risk
Credit risk is the risk that members, financial institutions and other counterparties are unable to meet their obligations to GMCU which may result in financial losses. Credit risk arises principally from GMCU's loan book and investment assets.

Credit risk – loans and advances
All loans and facilities are within Australia. The geographic distribution is not analysed into specific areas within Australia as the exposure classes are not considered material. Concentrations are described in Note 11.

The method of managing credit risk is by way of strict adherence to the credit assessment policies before the loan is approved and close monitoring of defaults in the repayment of loans thereafter on a weekly basis. The credit policy has been endorsed by the Board to ensure that loans are only made to members that are creditworthy and have the capacity of meeting loan repayment commitments.

Past due and impaired
A financial asset is past due when the counterparty has failed to make a payment when contractually due. A past due classification can trigger various actions such as a renegotiation, enforcement of covenants, or legal proceedings.

For loans where repayments are doubtful, external agencies are engaged to conduct recovery action. The exposure to losses arises predominately in personal loans and facilities not secured by registered mortgages over real estate.

Details on the expected credit loss provision used by GMCU for loans and advances are set out in Note 12.

Provisions are maintained in the statement of financial position at a level that management deems sufficient to absorb probable expected losses in GMCU's loan portfolio from homogenous portfolios of assets and individually identified loans.

Notes to the Financial Statements

For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk – loans and advances (continued)

Bad Debts
Amounts are written off when collection of the loan or advance is considered to be remote. All write offs are on a case by case basis, taking account of the exposure at the date of the write off.

On secured loans, the write off takes place on ultimate realisation of collateral value, or from claims on any lenders mortgage insurance.

A reconciliation in the movement of both past due and impaired exposure provisions is provided in Note 12.

Collateral securing loans
A sizeable portfolio of the loan book is secured on residential property in Australia. Therefore, GMCU is exposed to risks in a reduction of the Loan to Value (LTV) cover should the property market be subject to a decline.

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken.

Board policy is to maintain a large percentage of GMCU's loans in well secured residential mortgages. Note 11 describes the nature and extent of the security held against the loan held as at the balance date.

Concentration risk – Individuals
Concentration risk is a measurement of GMCU's exposure to an individual counterparty (or group of related parties). If prudential limits are exceeded as a proportion of GMCU's regulatory capital (10 per cent) a large exposure is considered to exist. No capital is required to be held against these, but APRA must be informed. APRA may impose additional capital requirements if it considers the aggregate exposure to all loans over the 10% capital benchmark, to be higher than acceptable.

The aggregate value of large exposure loans is set out in Note 11. GMCU holds no significant concentrations of exposures to members. Concentration exposures to counterparts are closely monitored with reviews on a sample basis being prepared for exposures over 2.50% of the capital base by both Internal Audit and the Audit Committee.

GMCU's policy on exposures of this size is to insist on compliance with all lending policies and procedures and a possible review of the loans application by a more senior officer within the organisation.

Concentration risk - Industry
There is no undue concentration of credit risk by way of geographical area or account holder groupings as GMCU has a large number of members dispersed across various industries.

Notes to the Financial Statements

For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquid investments
The credit policy is that investments are only made to institutions that are credit worthy. The risk of losses from the liquid investments undertaken is reduced by the nature and quality of the independent rating of the investment body and the limits to concentration on any one ADI.

There is a concentration of credit risk with respect to investment receivables with the placement of investments in Cuscal.

Notes 8 & 9 outline the various deposits held by GMCU. During the year, GMCU has had to make placement decisions that consider the appropriateness of the security offered. All placement decisions made have been consistent with policy limits set by the Board.

Under the liquidity support scheme at least 3% of the assets must be invested with approved Authorised Deposit Institutions under APS210, to allow the scheme to have adequate resources to meet its obligations if needed.

GMCU has a liquidity management arrangement with Laminar Capital who adhere to the matrix outlined in GMCU's liquidity policy and any specified investment guidelines. Through Laminar Capital, the Company has in place repurchase arrangements with the Reserve Bank of Australia for the conversion of a qualifying investment to cash should the need arise.

External credit assessment for Institution investments
GMCU uses the ratings of Standards and Poor's or other reputable ratings agencies to assess the credit quality of all investment exposure, where applicable, using the credit quality assessment scale in APRA prudential guidance AGN 112. The credit quality assessment scale within this standard has been complied with.

The exposure values associated with each credit quality step are summarised in Notes 8 and 9.

Notes to the Financial Statements

For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Operational risk
Operational risk is the risk of loss to GMCU resulting from deficiencies in processes, personal technology and infrastructure, and from external factors other than credit, market and liquidity risks. Operational risks in GMCU relate mainly from those risks arising from a number of sources including legal compliance, business continuity, data infrastructure, outsourced services failures, fraud, and employee errors.

GMCU's objective is to manage operational risk so as to balance the evidence of financial losses through implementation of controls, whilst avoiding procedures which inhibit innovation and creativity. These risks are managed through the implementation of policies and systems to monitor the likelihood of the events and minimise the impact. Systems of internal control are enhanced through:

- the segregation of duties between employee duties and functions, including approval of processing duties;
- documentation of the policies and procedures, employee job descriptions and responsibilities, to reduce the incidence of errors and inappropriate behaviour;
- implementation of the whistleblowing policies to promote a compliant culture and an awareness of the duty to report exceptions by staff;
- education of members to review their account, statement and report exceptions to the Company promptly;
- effective dispute resolution procedures to respond to member complaints;
- effective insurance arrangements to reduce the impact of losses; and
- contingency plans for dealing with loss of functionality of systems or premises or staff.

Fraud
Fraud can arise from member card personal identification numbers (PINs), and internet passwords being compromised where not protected adequately by the member. It can also arise from other system failures. GMCU has systems in place which are considered to be robust enough to prevent any material fraud. However, in common with all retail banks, fraud is potentially a real cost to GMCU. Fraud losses have arisen from card skimming, internet password theft, and false loan applications.

IT systems
The worst-case scenario would be the failure of GMCU's core banking and IT network suppliers to meet customer obligations and service requirements. The Company has outsourced the IT systems management to an Independent Data Processing Centre (IDPC) which is owned by a collection of Credit Unions. The organisation has the experience to manage any short-term problems and has a contingency plan to manage any related power or systems failures. Other network suppliers are engaged on behalf of the Company by the industry body Cuscal to service the settlement with other financial institutions for direct entry, Visa cards, BPay and OSKO etc.

A full disaster recovery plan is in place to cover medium to long term problems which is considered to mitigate the risk to an extent such that there is no need to any further capital to be allocated.

Notes to the Financial Statements
For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital Management
The capital levels are prescribed by APRA. Under the APRA prudential standards capital is determined in three components:

- Credit risk
- Market risk (trading book)
- Operations risk

The market risk component is not required as GMCU is not engaged in a trading book for financial instruments.

GMCU reports to APRA under Basel III capital requirements. GMCU uses the standardised approach for credit risk and operational risk.

GMCU's capital contains Common Equity Tier 1 Capital, Tier 1 Capital and Tier 2 Capital, in accordance with APRA requirements. GMCU's, Common Equity Tier 1 capital consists of retained earnings, property revaluation reserves and general reserves less adjustments for software technology purchases and equity exposures with associated financial institutions or companies. GMCU currently holds no other Tier 1 Capital Instruments. GMCU's Tier 2 Capital contains General Reserve for Credit Losses.

Capital adequacy ratio calculation

	2025 $	2024 $
Tier 1 Capital		
Net Tier 1 capital	61,904,753	60,397,430
Tier 2 Capital		
Net Tier 2 capital	-	-
Total Capital	61,904,753	60,397,430
Risk Weighted Assets	234,991,850	234,950,186
Capital adequacy ratio	26.34%	25.71%

The level of capital ratio can be affected by growth in asset relative to growth in reserves and by changes in the mix of assets.

Notes to the Financial Statements

For the year ended 30 June 2025

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital Management (continued)

To manage GMCU's capital, management reviews the ratio monthly and monitors major movements in the asset levels. Policies have been implemented to require reporting to the Board if the capital ratio falls below a set limit.

Pillar 2 Capital on Operational Risk
GMCU uses the Standardised approach which is considered to be most suitable for its business given the small number of distinct transaction streams. The Operational Risk Capital Requirement is calculated by mapping GMCU's three-year average net interest income and net non-interest income to various business lines.

Internal capital adequacy management
GMCU manages its internal capital levels for both current and future activities through the Board and Audit Committee. The outputs of the individual committees are reviewed by the Board in its capacity as the primary governing body. The capital required for any change in GMCU's forecasts for asset growth, or unforeseen circumstances, are assessed by the Board. The finance department then update the forecast capital resources models produced and the impact upon the overall capital position of GMCU is reassessed.

Notes to the Financial Statements

For the year ended 30 June 2025

27. FINANCIAL INSTRUMENTS

(a) Interest rate risk

GMCU's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities recognised at the balance date are as follows. The repricing periods reflect the earlier of the next contractual repricing date or the maturity date of the asset or liability.

Financial instruments	Floating interest rate		Fixed interest rate maturing in: 1 year or less		Over 1 to 5 years		Over 5 years		Non-interest bearing		Total carrying amount as per the Statement of Financial Position		Weighted average effective interest rate	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 %	2024 %
Financial assets:														
Cash and cash equivalents *	15,838	11,287	164,467	158,553	-	1,405	-	-	1,134	1,094	181,439	172,339	4.28	4.72
Receivables	-	-	-	-	-	-	-	-	871	1,323	871	1,323	N/A	N/A
Other investments	-	-	-	-	-	-	-	-	140	135	140	135	N/A	N/A
Loans and advances	317,405	289,715	47,370	50,123	32,844	34,097	1,060	756	-	-	398,679	374,691	6.08	6.45
Total financial assets	333,243	301,002	211,837	208,676	32,844	35,502	1,060	756	2,145	2,552	581,129	548,488		
Financial liabilities:														
Deposits	333,830	305,105	178,801	183,610	3,447	962	-	-	-	-	516,078	489,677	2.96	3.07
Payables	-	-	-	-	-	-	-	-	10,120	5,468	10,120	5,468	N/A	N/A
Total financial liabilities	333,830	305,105	178,801	183,610	3,447	962	-	-	10,120	5,468	526,198	495,145		

N/A - not applicable for non-interest bearing financial instruments.

* For the purpose of Note 27(a) and Note 27(b), cash and cash equivalents includes Investment Securities

Notes to the Financial Statements

For the year ended 30 June 2025

27. FINANCIAL INSTRUMENTS (continued)

(b) Maturity profile of financial assets and liabilities

Monetary assets and liabilities have differing maturity profiles depending on the contractual terms, and in the case of loans the repayment amount and frequency. The table below shows the period in which different monetary assets and liabilities will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal and future interest will be repaid based on the remaining period to the repayment date assuming contractual repayments are maintained, and is subject to change in the event repayment conditions are varied. Financial assets and liabilities are at the undiscounted values (including future interest expected to be earned or paid). Accordingly, these values will not agree to the carrying amounts of the Statement of Financial Position.

Financial instruments	Within 3 months		From 3 to 12 months		From 1 to 5 years		More than 5 years		No maturity		Total cash flows		Total carrying amount as per the Statement of Financial Position	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Financial assets:														
Cash and cash equivalents *	77,836	70,162	35,282	44,554	61,910	54,393	-	-	16,972	12,381	192,000	181,491	181,439	172,339
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	871	1,323
Loans and advances	9,604	9,241	27,216	26,413	138,565	134,637	546,440	522,912	-	-	721,825	693,202	398,679	374,691
Other investments	-	-	-	-	-	-	-	-	140	135	140	135	140	135
Total financial assets	87,440	79,403	62,498	70,967	200,475	189,030	546,440	522,912	17,112	12,516	913,965	874,828	581,129	548,488
Financial liabilities:														
Deposits	71,409	54,201	113,982	137,092	3,553	997	-	-	337,959	309,180	526,903	501,470	516,078	489,677
Payables	-	-	-	-	-	-	-	-	5,991	1,394	5,991	1,394	10,120	5,468
Total financial liabilities	71,409	54,201	113,982	137,092	3,553	997	-	-	343,950	310,574	532,894	502,864	526,198	495,145

* For the purpose of Note 27(a) and Note 27(b), cash and cash equivalents includes Investment Securities

Notes to the Financial Statements
For the year ended 30 June 2025

27. FINANCIAL INSTRUMENTS (continued)

(c) Categories of financial instruments

The following information classifies the financial instruments into measurement classes.

	2025 $	2024 $
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	92,585,679	79,896,510
Investment Securities	88,853,795	92,443,021
Other receivables	871,033	1,323,064
Loans and advances (gross)	399,205,449	375,175,564
	581,515,956	548,838,159
Financial assets at fair value through other comprehensive income (FVOCI)		
Other financial assets	140,051	134,928
Total financial assets	581,656,007	548,973,087
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable and other liabilities	10,120,322	5,468,289
Deposits from members	516,077,901	489,677,603
Total financial liabilities	526,198,223	495,145,892

28. FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either in the principal market or, in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques are used that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Notes to the Financial Statements

For the year ended 30 June 2025

28. FAIR VALUE MEASUREMENT (continued)

Fair value measurement hierarchy
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as Level 3 is determined using valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant judgement based on unobservable inputs.

The following table provides the fair value measurement hierarchy of GMCU's assets and liabilities:

2025 **Assets measured at fair value**	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Land and buildings	-	5,370,000	-	5,370,000
Investment properties	-	1,040,000	-	1,040,000
Other financial assets (at FVOCI)	-	-	140,051	140,051
Total	-	6,410,000	140,051	6,550,051

2024 **Assets measured at fair value**	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Land and buildings	-	5,700,000	-	5,700,000
Investment properties	-	880,000	-	880,000
Other financial assets (at FVOCI)	-	-	134,928	134,928
Total	-	6,580,000	134,928	6,714,928

GMCU has assessed that, at balance date, the carrying amount of all financial instruments approximates fair value.

Assets measured at fair value based categorised as Level 2
Land and buildings and investment properties have been valued based on similar assets, location and market conditions.

Assets measured at fair value based categorised as Level 3

Other financial assets (at FVOCI)	**2025** **$**	**2024** **$**
Balance at beginning of year	134,928	130,226
Revaluation through other comprehensive income	5,123	4,702
Closing balance - at 30 June	140,051	134,928

Notes to the Financial Statements
For the year ended 30 June 2025

29. CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at balance date but not provided for:

	2025 $	2024 $
Payable not later than one year	-	-
Closing balance - at 30 June	-	-

Expenditure commitments existing as at balance date are inclusive of Goods and Services Tax.

GMCU has a number of service agreements with external parties for the supply of operational services into the future. Due to the varying nature of these agreements, they have not been quantified for disclosure purposes.

30. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of GMCU, the results of those operations, or the state of affairs of GMCU in subsequent financial years.

Directors' Declaration

The Directors of the Company declare that:-

1. the financial statements and notes, set out on pages 5 to 58, are in accordance with the *Corporations Act 2001*, including:

   (a) giving a true and fair view of the financial position of the Company as at 30 June 2025 and of its performance for the year ended on that date; and

   (b) complying with the Australian Accounting Standards and Corporations Regulations; and

2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3. the information disclosed in the consolidated entity disclosure statement is true and correct.

This declaration was made in accordance with a resolution of the Board of Directors:

E Stragalinos – Chair	A Woods – Deputy Chair

Dated at Shepparton on this 24th day of September 2025

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Goulburn Murray Credit Union Co-operative Limited

Independent Auditor's Report to the Members of Goulburn Murray Credit Union Co-operative Limited

Opinion

We have audited the financial report of Goulburn Murray Credit Union Co-operative Limited (the Credit Union), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including the material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Goulburn Murray Credit Union Co-operative Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Credit Union's financial position as at 30 June 2025 and of its financial performance for the year then ended; 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 are responsible for the other information. The other information comprises the information contained in the Credit Union's Annual Report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Credit Union are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Credit Union to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe

CROWE ALBURY

Jason Gilbert

JASON GILBERT
Partner

24 September 2025
Albury

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