



Local Leaders International and Controlled Entity

(ACNC Reporting Group)

ABN 68 092 388 746

Financial Report

For the Year Ended 31 December 2024

Local Leaders International and Controlled Entity

ABN 68 092 388 746

Contents

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Directors' Report

31 December 2024

In respect of the financial period of 12 months ended 31 December 2024, the directors of Local Leaders International (Local Leaders) submit the following report, in accordance with a resolution of the directors:

Directors

The names of directors of the company in the office as the date of this report are:

David Barrie Brown
Sandra Clarke-Errey
Nicola Grace Gibbs
Alan Jeffrey Hall
Stephen Robert Kerr
Frederick Kuan Hean Lee
Perry William Howard Shaw
Andrew Alexander Peter Simpkin

Purpose and Principal Object

The Company has been established to be a charity the purpose of which is to advance religion and education.

The principal object of the Company is to advance the mission of Jesus Christ of "making disciples of all nations", and in particular -

- (a) to achieve this by partnering with theological colleges, students and others in developing countries to train and develop outstanding Christian leaders in their own context; and
- (b) to encourage excellence in theological education by supporting theological colleges which are or have the potential to be leaders within their own countries and to raise the standards of theological education and Christian leadership throughout their own countries and regions.

Entities

This is the combined narrative report for Local Leaders International, ABN 68092388746 which controls The Local Leaders International Fund, ABN 52284100215 which is a DGR Item 2 Fund.

Local Leaders International also operates an Item 1 DGR Fund, Local Leaders College Building Fund, which is not a separate entity.

Key highlights of the year included:

- **Total Income** - Our total income was \$3.18 million which was a pleasing outcome for the ministry, particularly noting the reduction of \$500,000 down to \$1.1 million from our LOGS donor compared to the prior year.
- **Distributions** - Funds totalling \$2.125 million were distributed, donated or applied for the purposes of our partner Bible colleges. This was used across the range of our support areas.
- **Sponsorships** - We directly supported around 250 students in 20 bible colleges. This type of support is greatly appreciated by the college leaders as it contributes directly to operating expenses which is often where the greatest organisational need occurs.

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- **Faculty Study Grants** - Forty-seven individual faculty members were supported to upgrade their qualifications, primarily to doctoral level with some at master's level. Additionally, we provided support for faculty to upskill through MTh programs in Egypt and Papua New Guinea.
- **LOGS** - We secured significant funding (\$1.1 million) for the fourth year of our online strategy to continue the Local Online: A Global Strategy (LOGS) project. This is part of a two-year extension for this strategy, which will take the total investment to \$6.8 million over five years.
- **Africa Mile Deep Strategy** - As part of the Africa Mile Deep Strategy the seventh conference was held in March 2024. This was in Tanzania with 20 key leaders from the continent and was able to continue building this 15-year strategy.
- **PASTI, Indonesia** - We continued to support our partners in Indonesia through the PASTI consortium of 45 bible colleges, with funding for various conferences and research grants for senior faculty in a dozen of the PASTI colleges.
- **Grassroots to Canopy Strategy** – We have been working with several other global organisations in the evangelical theological space to explore a transformational strategy called *Grassroots to Canopy: A Century Impact*.
- **Speakers** - We welcomed two speakers in 2024. The first was Dr Perry Shaw, a member of our Board and a catalytic educator in the international evangelical theological education space. Our Annual Dinner speaker was Dr Prabhu Singh, the principal of South Asian Institute of Advanced Christian Studies (SAIACS).
- **Staff** - We expanded our staff as indicated elsewhere in this report.

Strategy

Our principal focus continues to be help partner Bible colleges build their capacity to serve their communities through Christian leadership and scholarship. We do this college by college, country by country, region by region, and globally. We continue to work with like-minded organisations internationally, especially in what was the Overseas Council ("OC") Network, now rebranded as The Leadership Training Support Group. The opportunities to co-operate with many more ministries and bible colleges are expanding as we explore the Grassroots to Canopy strategy.

Local Online: A Global Strategy (LOGS)

We have completed 3.5 years of this expanded five-year strategy having secured most of the KPIs early. We provided funds to many more bible colleges (over 300) and training to many more faculty (over 2,000) than projected. We continue to increase the number of students in training across the partner colleges. This number is now over 11,000 extra students. The LOGS team has been very active to catch up the one KPI which has been most difficult to achieve, ie. the creation of video resources for online education. Several new strategies have been attempted and we hope to achieve in five years what we had planned for three years.

Our focus is transitioning from providing IT resources and has begun to move to more training of trainers and equipping of the accrediting agencies to ensure that high standards are built into the environment of theological education for online education. We are seeing for many bible colleges that they are incorporating online education as a core part of their offerings to students.

The Pasifika Strategy

Dr George Mombi has continued to expand the impact of the strategy by building relationships with several bible schools in PNG, Solomons, and Vanuatu. He visited Fiji and Tonga in 2024 to explore relationships with evangelical colleges there. George's work catalyses a number of elements needed to strengthen the smaller

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colleges. Two of these now teach at diploma level and others are working towards that standard. Other Local Leaders international staff have engaged with the strategy remotely (Dr Nancy Njagi) or in person (Drs Dick and Caroline Seed, Dr David Turnbull) to workshop with bible school leaders on a variety of important issues: resource mobilisation; pedagogy; theologising curriculum; online pedagogy; and disability studies.

The Africa Mile Deep Strategy (AMDS)

The AMDS completed its seventh year in 2024. The strategy has led to significant relationships of learning and sharing across the continent through the seven 'Hub' colleges. In turn these Hubs assist and develop another 60 smaller 'affiliate' colleges. Dr Nancy Njagi works with these networks to customise what each country or region of the continent needs to grow. There are thirteen different themes so far being worked on within the strategy. One theme is Generosity in Africa. This is an attempt to build a biblical view of stewardship and generosity as an antidote to the Prosperity Gospel which is a hindrance to healthy discipleship. Resources and courses have been developed by African theologians and after our reporting period, a pilot study in Kenya in the first quarter of calendar year 2025.

Francophone Africa Strategy

Dr Pauline Golder works closely with the accreditation body CITAF (Conseil des Institutions Théologiques d'Afrique Francophone) which services the French-speaking colleges of West Africa. Pauline has trained a group of eight (8) faculty from the region who are now champions for good pedagogy. Their work is then amongst several dozen bible colleges in the different countries. We also assist a number of faculty members in West Africa and Madagascar to get higher degrees and have made contributions to new work beginning in Chad.

PASTI Indonesia

We work with a group of 45 bible colleges in Indonesia who hold regular conferences to upskill faculty members from across the country. We co-fund these conferences and occasionally provide speakers to work with local leadership. Having done more in previous years, we are exploring more ways to increase our work with them in the future.

Other Strategies

Our strategy for the Mandarin speaking world is developing. Members who wish to learn more can contact the Executive Director.

Grassroots to Canopy: A Century Impact (G2C)

G2C is a 15-year strategy which aims to bring about 20 organisations and 1,250 Bible Colleges together in a concerted effort to vastly improve the capacity and effectiveness of evangelical theological education in the Majority World. We continue to seek major supporters to contribute to the strategy but in the meantime have developed some foundational activities. We have scoped (and in 2025 begun) a research project to establish the number of pastors globally and the level of training they have achieved. A comprehensive study would take a decade to complete but our method will be to gradually build up an understanding of different parts of the world. Given the paucity of research data in this space we hope to have at least some understanding by the end of 2025.

We continue to work with several groups to help build the foundations of the strategy. We are finding that even without large injections of funds, the G2C concept is helping us, and other organisations to make strategic decisions about activity.

Review of operations

Income

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We slightly exceeded our budgeted income for 2024. The total amount is down from the previous year primarily because of the anticipated \$500,000 reduction in the LOGS grant.

Board

The board held its main meetings four (4) times during the period, including its planning meeting held in October, and the AGM in May. We also held short online meetings as needed to conduct more urgent business.

Staff

Rosemary Jones and Kerry Baird – began early in the year as our Victorian and Sydney Directors respectively. They have brought energy and value to our fundraising team.

Peter Clark – after two years-service in the Finance and Administration area, Peter left to focus on his church pastoral responsibilities and family commitments. We employed Ricky Julius as his replacement.

Volunteers

We have several of our team who give generously and freely of their time and talents to the work of Local Leaders. Whilst we are not required to reflect the dollar value in the financial statements, we are very grateful for over 100 hours of valuable contribution made by these staff members. I explain to people that they all have significant jobs that are part of our ministry and the only difference I can see between them and the paid staff is that paid staff ask when they can take holidays and the volunteers tell us when they are going!

Audit and Risk Committee

The committee consisted of:

Alan Hall – Board member, appointed as Chair of the Committee in September 2023. Alan is an experienced Board member and has great expertise in administrative processes and IT.

Andrew (Andy) Simpkin – appointed to the Committee in September 2023. Andy's broad corporate experience has brought wise decision making to the tasks at hand.

Stuart Brooking – Executive Director

Richard (Rick) Timberlake – Head of Operations

The committee met five (5) times in the year with all members present each time.

The committee worked on the following matters:

- Review the risk matrix, registry of risks, and devised suitable treatments.
- Worked to fulfil the ACNC, Missions Interlink and CMA-Standards Council standards.
- Review tax and other regulatory compliance.
- Review policies, key internal controls and external conduct processes.
- Review of key providers and insurance
- Review of audit recommendations, audit reports and statutory financial statements.

Auditors

Saward Dawson continued to provide thorough sampling and testing of financial transactions and controls in their third year of audit (2024). Local Leaders are pleased with the solid partnerships that has developed between the two organisations and we continue to benefit from value added services provided by Saward Dawson.

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Directors' Meetings

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director were:

Member	No. of Board Meetings Possible	No. Attended
David Barrie Brown	4	4
Sandra Clarke-Errey	4	3
Alan Jeffrey Hall	4	4
Nicola Grace Gibbs	4	4
Stephen Robert Kerr	4	3
Frederick Kuan Hean Lee	4	4
Perry William Howard Shaw	4	2
Andrew Alexander Peter Simpkin	4	4

No indemnity has been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company with the exception that Directors and Officers insurances have been taken out by the company and that premiums have been paid for professional indemnity insurance in respect of the directors.

Members Guarantee

The entity is a company limited by guarantee. According to the Constitution, if there is a shortfall of funds during winding up, the members guarantee the company's obligations up to \$10 per member. As of the balance date, with 69 members, the total guaranteed amount was \$690.

Constitution - Minor Changes Sought

As part of the Board's regular review of its activities we undertook a review of the Constitution. We determined that no major changes were needed to our purpose and formal operations. The Board working group recommended to the Board that several minor changes be made to allow for online-only meetings for the Board and for General meetings, as well as minor changes to quorums and other details to improve internal consistency in the document and to clarify potential ambiguities.

We have circulated the proposed Constitution to members.

The Board unanimously recommends the proposed changes.

Final Comments

In Psalm 74 we hear the psalmist grieve for a church in distress (vs 1-11) and then express great confidence in a faithful God who is in control of all things and then concludes with a prayer of restoration. As a board we too grieve for the distress we see impacting churches and bible colleges in the majority world but also rejoice and take confidence in knowing that God is in control. Our continued prayer is that God will continue to work his will and be

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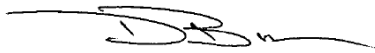
honoured and glorified as we continue to serve the faculty, students and leadership teams of the colleges we have the privilege of partnering with.

We thank God for his continued oversight and blessing of the work of Local Leaders International. He has continued to raise up faithful donors who share in this gospel ministry; a wonderful team of workers and volunteers who serve with their gifts, capabilities, and time; a board who provide faithful oversight and governance and college faculty and students to support and serve.

Praise be to God.

24 April 2025

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'David Brown', with a long horizontal line extending to the right.

David Brown

Chairman/Director

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Auditor's Independence Declaration to the Directors of Local Leaders International and Controlled Entity

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Saward Dawson

Jeffrey Tulk
Partner

Blackburn

Date: 30 April 2025

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2024

	2024 \$	2023 \$
Operating Activities		
Income		
Donations received	908,094	1,058,557
Interest received	91,833	86,811
Other income	44,103	4,781
Profit on disposal of asset	15,770	-
Total income from operating activities	1,059,800	1,150,149
Expenses		
Employee benefits expense	(632,279)	(561,329)
Defined contribution plans	(70,504)	(56,685)
Contractor expense	(112,617)	(119,960)
Promotion, travel and event expenses	(122,795)	(235,296)
Postage, printing and stationery expenses	(16,282)	(15,309)
IT and telecommunications expenses	(16,955)	(18,913)
Depreciation expense	(16,132)	(14,511)
Rental expense	(701)	(2,028)
Other expenses	(54,931)	(68,372)
Total expenses from operating activities	(1,043,196)	(1,092,403)
Surplus/(deficit) from operating activities	16,604	57,746
 Education and Project Support Activities		
Income		
Donations received	2,127,248	2,405,633
Expenses		
Education and project support expenses	(1,918,249)	(2,658,180)
Surplus/(deficit) from education and project support activities	208,999	(252,547)
 Surplus for the year	225,603	(194,801)
 Total comprehensive income for the period	225,603	(194,801)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	866,925	595,939
Trade and other receivables	3	1,146	5,799
Financial assets	4	1,700,000	1,750,000
Other assets	6	73,973	90,802
TOTAL CURRENT ASSETS		<u>2,642,044</u>	<u>2,442,540</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	48,073	30,358
TOTAL NON-CURRENT ASSETS		<u>48,073</u>	<u>30,358</u>
TOTAL ASSETS		<u><u>2,690,117</u></u>	<u><u>2,472,898</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	42,140	46,726
Employee benefits	8	67,121	70,919
TOTAL CURRENT LIABILITIES		<u>109,261</u>	<u>117,645</u>
TOTAL LIABILITIES		<u>109,261</u>	<u>117,645</u>
NET ASSETS		<u><u>2,580,856</u></u>	<u><u>2,355,253</u></u>
EQUITY			
Reserves	9	2,636,012	2,426,013
Retained earnings		<u>(55,156)</u>	<u>(70,760)</u>
TOTAL EQUITY		<u><u>2,580,856</u></u>	<u><u>2,355,253</u></u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2024

2024

	Retained Earnings	Funds Invested in Assets Reserve	Distributable Funds Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2024	(70,760)	13,505	2,412,508	2,355,253
Surplus/(deficit) for the year	225,603	-	-	225,603
Transfers to and from reserves	(209,999)	(13,505)	223,504	-
Balance at 31 December 2024	(55,156)	-	2,636,012	2,580,856

2023

	Retained Earnings	Funds Invested in Assets Reserve	Distributable Funds Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2023	(86,392)	45,509	2,590,937	2,550,054
Surplus/(deficit) for the year	(194,801)	-	-	(194,801)
Transfers to and from reserves	210,433	(32,004)	(178,429)	-
Balance at 31 December 2023	(70,760)	13,505	2,412,508	2,355,253

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Donations received		3,119,791	3,499,837
Interest received		91,833	86,811
Payments to colleges, project partners and for sponsorships		(1,918,249)	(2,658,180)
Payments to suppliers and employees		(1,054,312)	(1,185,489)
Net cash provided by/(used in) operating activities	12	<u>239,063</u>	<u>(257,021)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		35,028	-
Purchase of property, plant and equipment		(53,105)	(195)
Redemption/(placement) of term deposits		50,000	(1,248,691)
Net cash provided by/(used in) investing activities		<u>31,923</u>	<u>(1,248,886)</u>
Net increase/(decrease) in cash and cash equivalents held		270,986	(1,505,907)
Cash and cash equivalents at the beginning of the period		<u>595,939</u>	<u>2,101,846</u>
Cash and cash equivalents at the end of the period	2	<u><u>866,925</u></u>	<u><u>595,939</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2024

1 Summary of Material Accounting Policies

(a) Basis of preparation

The financial report covers Local Leaders International and Controlled Entity as an ACNC Reporting Group. The Group consists of the following entities:

- Local Leaders International, which is a company limited by guarantee, established under the *Corporations Act 2001* and is domiciled in Australia. The Company provided funds to support colleges through the training of future leaders, developing faculty, improvements in infrastructure; and
- Local Leaders International Fund, which is a Public Ancillary Fund established under a deed of trust, and is domiciled in Australia. The Fund, raises funds for benevolent activities by assisting partner colleges to improve leadership in developing countries.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. The group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Revenue

Donations and grants

The Group's primary source of revenue is donations and grants from its supporters. This support enables the Group to provide funding partnerships with Christian theological colleges, students and others, primarily in developing countries. A proportion of donations and grants received are allocated to fund the Group's administration and overhead costs (operating activities). The remaining amounts are allocated and distributed directly to funding partners (education and project support activities).

When the Group receives grants or donations, it assesses whether they are subject to a contract that is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

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Notes to the Financial Statements

For the Year Ended 31 December 2024

1 Summary of Material Accounting Policies

(b) Revenue

Donations and grants

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group recognise the revenue on receipt.

If a contract liability is recognised as a related amount above, the Group recognises revenue in profit or loss when or as it satisfies its obligations under the contract.

(c) Income Tax

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

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

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

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	100%
Motor Vehicles	15%
Computer Equipment	33.33%

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

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Notes to the Financial Statements

For the Year Ended 31 December 2024

1 Summary of Material Accounting Policies

(f) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables.

(g) Cash and cash equivalents

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

(h) Employee benefits

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank	416,925	595,939
Short-term bank deposits	450,000	-
	<u>866,925</u>	<u>595,939</u>

3 Trade and Other Receivables

CURRENT		
Other receivables	1,146	5,799
	<u>1,146</u>	<u>5,799</u>

4 Financial Assets

Financial assets at amortised cost

CURRENT		
Term deposits held with banks	1,700,000	1,750,000
	<u>1,700,000</u>	<u>1,750,000</u>

5 Property, plant and equipment

Furniture, fixtures and fittings		
At cost	1,273	748
Accumulated depreciation	(1,273)	(748)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>
Motor vehicles		
At cost	45,479	37,578
Accumulated depreciation	(3,979)	(15,501)
Total motor vehicles	<u>41,500</u>	<u>22,077</u>
Computer equipment		
At cost	33,358	29,027
Accumulated depreciation	(26,785)	(20,746)
Total computer equipment	<u>6,573</u>	<u>8,281</u>
Total property, plant and equipment	<u>48,073</u>	<u>30,358</u>

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For the Year Ended 31 December 2024

5 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Computer Equipment \$	Total \$
Year ended 31 December 2024				
Balance at the beginning of the year	-	22,077	8,281	30,358
Additions	525	45,479	7,101	53,105
Disposals	-	(19,258)	-	(19,258)
Depreciation expense	(525)	(6,798)	(8,809)	(16,132)
Balance at the end of the year	-	41,500	6,573	48,073

6 Other assets

	2024 \$	2023 \$
CURRENT		
Prepayments	50,104	10,164
Accrued income	23,869	80,638
	73,973	90,802

7 Trade and Other Payables

CURRENT		
Sundry payables and accrued expenses	42,070	46,726
Other payables	70	-
	42,140	46,726

8 Employee Benefits

CURRENT		
Provision for employee benefits	67,121	70,919
	67,121	70,919

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9 Reserves

Funds Invested in Assets Reserve

This reserve accounts for equity represented by the carrying value of non-current assets (property, plant and equipment) at the end of the financial year.

Distributable funds reserve

This reserves represents funds collected for education support activities that have not yet been disbursed to supported educational institutions at the end of the financial year.

10 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Group was \$ 381,730 (2023: \$ 361,603).

11 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor Saward Dawson, for:		
- auditing the financial statements	7,000	6,600
- other compliance audits	600	600
- preparation of the financial statements	1,000	1,000
Total	8,600	8,200

12 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Surplus/(deficit) for the year	225,603	(194,801)
Non-cash flows in surplus/(deficit):		
- depreciation	16,132	14,511
- (gain)/loss on disposal of property, plant and equipment	(15,770)	835
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	4,653	(4,860)
- (increase)/decrease in other assets	16,829	(75,405)
- increase/(decrease) in trade and other payables	(4,586)	(8,934)
- increase/(decrease) in employee benefits	(3,798)	11,633
Cashflows from operations	239,063	(257,021)

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Notes to the Financial Statements

For the Year Ended 31 December 2024

13 Local Leaders International Fund

The Local Leaders International Fund (the Fund) is a Public Ancillary Fund operated by the Group. Local Leaders International is the trustee and operator of the Fund. The Fund is a Deductible Gift Recipient (DGR) covered by Item 2 of the table in section 30-15 of the *Income Tax Assessment Act 1997*. This endorsement entitles the Fund to receive gifts which are tax deductible to donors.

The financial statements of the Fund (before elimination of intra-group balances and transactions) include the following income, expenditure, assets and liabilities of the Fund:

	2024	2023
	\$	\$
Income		
Donations received	180,418	64,239
Expenses		
Distributions to deductible gift recipients (education and project support expenses)	(89,746)	(155,288)
Administrative and other expenses	(52,846)	(27,931)
Surplus/(deficit) for the year	37,826	(118,980)
Assets		
Cash and cash equivalents	140,574	104,684
Liabilities		
Trade and other payables	-	(1,936)
Net assets	140,574	102,748

Local Leaders International and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 31 December 2024

14 Related Parties

The Group's main related parties are as follows:

Key management personnel ("KMP") - refer to Note 10.

Directors are not remunerated by the Group.

Other related party transactions

Prolegis Lawyers - Catherine Crouch a former Director of the Group (resigned in 2023) is the General manager at Prolegis Lawyers. During the year the group engaged the services of Prolegis Lawyers for legal advice, the legal fees paid were on an arms length basis, without input from and separate to Catherine Crouch's role as a Director of the Group. Fees paid to Prolegis Lawyers for the year were \$nil (2023: \$13,808).

15 Events after the end of the Reporting Period

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

16 Statutory Information

The registered office of the company is:

Local Leaders International and Controlled Entity
Level 1, 20 Albert Street
Blackburn VIC 3130

Local Leaders International and Controlled Entity

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Directors' Declaration

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the Group is able to pay all of its debts, as and when they become due and payable;
- the financial report gives a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year ended; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.



Director



Director

Date: **24 April 2025**

Local Leaders International and Controlled Entity

ABN 68 092 388 746

Independent Audit Report to the members of Local Leaders International and Controlled Entity

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Local Leaders International and Controlled Entity, which comprises the statement of financial position as at 31 December 2024, 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 a summary of material accounting policies, and the directors' declaration.

In our opinion the financial report of Local Leaders International and Controlled Entity has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

Responsibilities of Directors for the Financial Report

The directors of the parent company of the Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Local Leaders International and Controlled Entity

ABN 68 092 388 746

Independent Audit Report to the members of Local Leaders International and Controlled Entity

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Local Leaders International and Controlled Entity

ABN 68 092 388 746

Independent Audit Report to the members of Local Leaders International and Controlled Entity

Report on the Compliance Audit

Opinion

We have audited the compliance of Local Leaders International Fund (the Fund) with the requirements of the *Public Ancillary Fund Guidelines 2022*.

In our opinion, Local Leaders International Fund has complied, in all material respects, with the requirements of the *Public Ancillary Fund Guidelines 2022* for the year ended 31 December 2024.

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

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

Directors' Responsibility for Compliance

The directors of the trustee company (Local Leaders International) are responsible for complying with the requirements of the *Public Ancillary Fund Guidelines 2022*.

Auditor's Responsibility

Our responsibility is to express an opinion on Fund's compliance, in all material respects, with the *Public Ancillary Fund Guidelines 2022* for the year ended 31 December 2024. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether the Fund has complied, in all material respects, with the *Public Ancillary Fund Guidelines 2022*.

An audit to report on the Fund's compliance with the *Public Ancillary Fund Guidelines 2022* involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the *Public Ancillary Fund Guidelines 2022*.

Local Leaders International and Controlled Entity

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Independent Audit Report to the members of Local Leaders International and Controlled Entity

Inherent limitations

Because of the inherent limitations of an audit, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

An audit does not provide assurance on whether compliance with the *Public Ancillary Fund Guidelines 2022* will continue in the future.


Saward Dawson

Jeffrey Tulk
Partner

Blackburn

Date: 30 April 2025