



Local Leaders International and Controlled Entity

(ACNC Reporting Group)

ABN 68 092 388 746

Financial Report

For the Year Ended 31 December 2025

Local Leaders International and Controlled Entity

ABN 68 092 388 746

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For the Year Ended 31 December 2025

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Directors' Report

31 December 2025

In respect of the financial period of 12 months ended 31 December 2025, 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 at 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 \$3.19 million which was steady from last year and a pleasing outcome for the ministry, particularly noting the reduction of \$200,000 from our main LOGS donor compared to the prior year.
- **Distributions** - Funds totalling \$2.129 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 16 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.
- **Faculty Study Grants** - Forty individual faculty members were supported to upgrade their qualifications, primarily to doctoral level with some at master's level. A total of seven (7) graduated

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during the year including one (1) from prior-year support. Additionally, we provided support for faculty to upskill through the MTh program in Papua New Guinea.

- **LOGS** – We secured \$900,000 in funding for the fifth and final year of our strategy to continue the Local Online: A Global Strategy (LOGS) project. This forms the final part of a two-year extension for the 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 eighth conference was held in March 2025. This was in Kenya with 25 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 invited two speakers in 2025. In the first half of the year the planned speaker, Vuthy Son, was unable to secure a visa but was replaced with a very successful national speaking tour by our Executive Director, Rev Dr Stuart Brooking. Our Annual Dinner speaker was Rev Josue Fernandez, who reported on the LOGS strategy throughout Latin America and the Caribbean.
- **Staff** - We expanded our staff as indicated elsewhere in this report.

Strategy

Our principal focus continues to be helping 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 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 4.5 years of this expanded five-year strategy having secured most of the KPIs early. We provided funds to many more Bible colleges (over 320) and training to many more faculty (over 3,000) than projected. We continue to increase the number of students in training across the partner colleges. This number is now over 15,000 extra students. The LOGS team has been very active to catch up the one KPI which has been most difficult to achieve, i.e. the creation of video resources for online education. Several new strategies have been attempted and this milestone (over 1,000 videos) was met in early 2026.

While most of the activity of the strategy has been done in the name of Local Leaders International, we developed the video resources in conjunction with ICETE under the brand name 'ICETE Online'. ICETE determined that the website of resources was not core business so to everyone's satisfaction, we have re-housed it with our 'fellow traveller', Scholar Leaders International. They already have an online book repository and journal repository, so this video repository sits alongside these valuable resources.

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 for a second time to the colleges of Fiji and Tonga in 2025 to build on relationships with evangelical colleges there.

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George's work catalyses a number of elements needed to strengthen the smaller colleges. Four of these now teach at diploma level and others are working towards that standard. A new development is the use of online capacity provided by LOGS to four campus outposts where these remote centres are able to be taught by faculty from the main campus.

The Africa Mile Deep Strategy (AMDS)

The AMDS completed its eighth year in 2025. The strategy has led to significant relationships of learning and sharing across the continent through the seven 'Hub' colleges. Two new Hubs have recently been incorporated into the group from South Sudan and Malawi, making 9 Hubs and over 60 affiliate colleges. There are thirteen different themes so far being worked on within the strategy. One theme, Generosity in Africa, has built a range of resources and held a pilot study in Kenya with five groups of pastors. This was successful and plans are underway for an expansion to several more countries in 2027. This project 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.

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 now eighteen faculty members 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.

Pedagogy Training

Our staff have been involved in training faculty members for several years in the area of pedagogy. This has been in a few programs including under the LOGS banner for online education and another program developed by Drs Dick and Caroline Seed. Their TALHITE program (Teaching and Learning in Higher Theological Education) which has been used extensively through our AMDS strategy partner colleges and elsewhere especially in Africa. Others have joined in as well including, Dr Nancy Njagi and Dr Pauline Golder. Karen Roe was also trained to lead the course while a missionary with CMS in South Africa. With the appointment of Karen as our Pedagogy Manager, we will be able to extend some of this teaching into colleges in Asia and the Pacific. It is a great need in each of these regions and so we will continue to develop resources for faculty to improve their engagement with students.

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. Through 2025 we continued to co-fund these conferences and occasionally provide speakers to work with local leadership.

Mandarin Strategy

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

India Strategy

Mid-way through 2025 we employed Dr Prabhu Singh, the former principal of SAIACS, the leading evangelical college in India. Prabhu is heading a strategy which aims to "make the theological colleges more missional and mission training agencies more theological". We are working closely with the Asia Theological Association – India

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with its 200 Bible colleges (20,000+ students) and the Indian Mission Association with its 230 mission agencies (300,000+ missionaries)

Our first project has been developed in consultation with the key leaders of evangelicalism in India. It is to work with select Bible colleges to help them improve their quality through training research supervisors and providing PhD scholarships through the ATA-I.

South-East Asian Buddhist Region

'Saffron Bridges' is the name of our strategy which is just formulating. We are working closely with Beacon Partnerships in NZ to empower key colleges working in the region to develop resources for connecting with Buddhist people in their countries. A series of small projects are being considered.

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 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. Our new strategies in India and South-East Asia are framed in sympathy with the bigger vision of G2C.

Review of operations

Income

Despite the (expected) reduction of \$200,000 from our main LOGS donor in CY 2025 our total income remained steady with CY 2024 with nearly \$3.2 million income.

Forward notice – 2026 is the last year of the LOGS project and we received the last major contribution to the strategy in 2025. We have a number of strategies to increase donations from this point, nonetheless we anticipate operating a deficit budget for the next couple of years as we seek to build other income streams.

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.

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:

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- 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.

Staff

Rev Kevin Pedersen, Chaplain – Kevin has been a long-term supporter and began in February 2025 as our Chaplain. His role involves pastoral of staff, assisting our Melbourne Director and working with some colleges. It is a volunteer role.

Brenda Lyons, Finance and Administration Officer – Brenda began in April 2025 working with Rick Timberlake. We are grateful for her contributions and the professional manner in which she has engaged in her role.

Kerryn Baird, Sydney Director – after two years in the role Kerryn felt her other responsibilities needed more attention. We are grateful for her contribution to the team and ministry role she had with us.

Trish Driscoll, Sydney Director – Trish and her husband Scott have been a long-time supporters of Local Leaders. Trish took up the role of Sydney Director subsequent to our reporting year, in early 2026.

Karen Roe, Pedagogy Manager – After time in Namibia and South Africa with her husband, Mike, working at Bible colleges they returned to Australia and Karen began with us in March 2025. Having worked with Drs Dick and Caroline Seed in Africa, she continues with some of that work and now will focus on developing pedagogy training programs in Asia and the Pacific.

Dr Prabhu Singh, South Asia Director – after 14 years at SAIACS, seven of which he was principal, Prabhu began with Local Leaders in July 2025 to lead our strategy in South Asia.

Volunteers – we have the great benefit of several staff members working for us in key roles who donate their time to the ministry. They contribute in a way that, unless you knew who the volunteers were, you wouldn't guess they do it for free! We have a great spirit in the whole team at Local Leaders and benefit from the competent and sometimes sacrificial commitment of all our staff, paid and volunteer.

Auditors

Saward Dawson continued to provide thorough sampling and testing of financial transactions and controls in their fourth year of audit (2025). Local Leaders are pleased with the solid partnership that has developed between the two organisations and we continue to benefit from value added services provided by Saward Dawson.

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

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Member	No. of Board Meetings Possible	No. Attended
Alan Jeffrey Hall	4	3
Nicola Grace Gibbs	4	3
Stephen Robert Kerr	4	4
Frederick Kuan Hean Lee	4	4
Perry William Howard Shaw	4	3
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 Approved in 2025 AGM

Following a review of the Constitution in 2024, the Board recommended a number of minor amendments to the members, which were adopted at the 2025 Annual General Meeting. One outcome of these amendments is the ability to hold a fully online AGM. The Board intends to implement this provision for the 2026 AGM, at which we will report on the 2025 calendar year.

Final Comments

As you read this report, we hope you will give God the glory and honour for the way he is working in raising up theologically trained gospel leaders in the majority world for his kingdom. We know that whilst the harvest is plentiful the workers are few and it is our vision and privilege to partner with Bible colleges to grow the capacity and capability of local leaders in local communities to raise up more workers.

We give thanks to God for his continued oversight and blessing of the work of Local Leaders International. We are grateful for the wonderful team of workers and volunteers who serve with their gifts, capabilities and time. We are particularly grateful to God for the many donors who share in this gospel ministry and give so generously. Our prayer is that God will continue to grow our donor and supporter base and that Local Leaders International will continue to grow to enable its impact for the kingdom.

May we all join with Paul as he spoke of his labors to help believers become mature in Christ, declaring, "For this I toil, struggling with all his energy that powerfully works within me" (Colossian 1:29). Whilst we (donors, team, board, college partners, supporters) toil together, the energy and the power for our ministry is entirely of the Grace of God. Praise him from whom all blessings flow!!

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For and on behalf of the Board

21 April 2026

A handwritten signature in black ink, reading "D Brown". The "D" is large and stylized, and "Brown" is written in a cursive script.

David Barrie Brown

Board Chair / 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 2025, 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, VIC

Date: 27 April 2026

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2025

	2025 \$	2024 \$
Operating Activities		
Income		
Operating donation received	843,885	733,719
Interest income	103,361	91,833
Other income	44,988	44,103
Profit on disposal of asset	7,684	15,770
Total income from operating activities	999,918	885,425
Expenses		
Operating employee benefits expense	(522,886)	(529,447)
Contractor expense	(113,384)	(112,617)
Promotion, travel and event expenses	(169,015)	(122,795)
Postage, printing and stationery expenses	(19,636)	(16,282)
IT and telecommunications expenses	(15,533)	(16,955)
Depreciation expense	(13,605)	(16,132)
Rental expense	(948)	(701)
Other expenses	(63,175)	(54,931)
Total expenses from operating activities	(918,182)	(869,860)
Surplus/(deficit) from operating activities	81,736	15,565
Education and Project Support Activities		
Income		
Project donations received	2,188,330	2,301,623
Expenses		
Education and project expenses	(2,128,999)	(1,918,249)
Program support costs	(309,372)	(173,336)
Surplus/(deficit) from education and project activities	(250,041)	210,038
Surplus/(deficit) for the year	(168,305)	225,603
Total comprehensive income for the period	(168,305)	225,603

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 31 December 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	464,589	866,925
Trade and other receivables	4	8,684	1,146
Financial assets	5	1,980,000	1,700,000
Other assets	7	36,995	73,973
TOTAL CURRENT ASSETS		2,490,268	2,642,044
NON-CURRENT ASSETS			
Property, plant and equipment	6	60,774	48,073
TOTAL NON-CURRENT ASSETS		60,774	48,073
TOTAL ASSETS		2,551,042	2,690,117
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	52,953	42,140
Employee benefits	9	85,538	67,121
TOTAL CURRENT LIABILITIES		138,491	109,261
TOTAL LIABILITIES		138,491	109,261
NET ASSETS		2,412,551	2,580,856
EQUITY			
Reserves	10	2,384,408	2,636,012
Retained earnings		28,143	(55,156)
TOTAL EQUITY		2,412,551	2,580,856

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2025

2025

	Retained Earnings	Funds Invested in Assets Reserve	Distributable Funds Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2025	(55,156)	-	2,636,012	2,580,856
Operating surplus/(deficit) for the year	(168,305)	-	-	(168,305)
Transfers to and from reserves	251,604	-	(251,604)	-
Balance at 31 December 2025	28,143	-	2,384,408	2,412,551

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
Operating 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

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Donations received		3,106,968	3,119,791
Interest received		109,461	91,833
Payments to colleges, project partners and for sponsorships		(2,124,149)	(1,918,249)
Payments to suppliers and employees		(1,195,994)	(1,054,312)
Net cash provided by/(used in) operating activities	14	(103,714)	239,063
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		44,636	35,028
Purchase of property, plant and equipment		(63,258)	(53,105)
Redemption/(placement) of term deposits		(280,000)	50,000
Net cash provided by/(used in) investing activities		(298,622)	31,923
Net increase/(decrease) in cash and cash equivalents held		(402,336)	270,986
Cash and cash equivalents at the beginning of the period		866,925	595,939
Cash and cash equivalents at the end of the period	3	464,589	866,925

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

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.

Comparative expenses information has been adjusted to provide better disclosure.

(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 2025

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 recognises 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 2025

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.

(i) Expenses

Education and project support expenses are recognised as an expense on payment of the expense to a program partner.

Program support costs in relation to the education and project support expenses are an allocation of employee benefits expenses for the direct costs of program management incurred in Australia, which are directly attributable to program support.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Expenses

	2025	2024
	\$	\$
Total employee benefits expenses	769,106	632,279
Total defined contribution plan expenses	63,152	70,504

3 Cash and Cash Equivalents

Cash at bank	464,589	416,925
Short-term bank deposits	-	450,000
	<u>464,589</u>	<u>866,925</u>

4 Trade and Other Receivables

CURRENT		
Other receivables	8,684	1,146
	<u>8,684</u>	<u>1,146</u>

5 Financial Assets

Financial assets at amortised cost

CURRENT		
Term deposits held with banks	1,980,000	1,700,000
	<u>1,980,000</u>	<u>1,700,000</u>

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For the Year Ended 31 December 2025

6 Property, plant and equipment

	2025 \$	2024 \$
Furniture, fixtures and fittings		
At cost	1,469	1,273
Accumulated depreciation	(1,469)	(1,273)
Total furniture, fixtures and fittings	-	-
Motor vehicles		
At cost	51,475	45,479
Accumulated depreciation	(2,574)	(3,979)
Total motor vehicles	48,901	41,500
Computer equipment		
At cost	41,992	33,358
Accumulated depreciation	(30,119)	(26,785)
Total computer equipment	11,873	6,573
Total property, plant and equipment	60,774	48,073

(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 2025				
Balance at the beginning of the year	-	41,500	6,573	48,073
Additions	195	51,475	11,588	63,258
Disposals	-	(36,952)	-	(36,952)
Depreciation expense	(195)	(7,122)	(6,288)	(13,605)
Balance at the end of the year	-	48,901	11,873	60,774

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Notes to the Financial Statements

For the Year Ended 31 December 2025

7 Other assets

	2025	2024
	\$	\$
CURRENT		
Prepayments	19,226	50,104
Accrued income	17,769	23,869
	<u>36,995</u>	<u>73,973</u>

8 Trade and Other Payables

CURRENT		
Sundry payables and accrued expenses	51,552	42,070
Other payables	1,401	70
	<u>52,953</u>	<u>42,140</u>

9 Employee Benefits

CURRENT		
Provision for employee benefits	85,538	67,121
	<u>85,538</u>	<u>67,121</u>

10 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.

11 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Group was \$ 412,450 (2024: \$ 381,730).

Local Leaders International and Controlled Entity

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Notes to the Financial Statements

For the Year Ended 31 December 2025

12 Auditors' Remuneration

	2025	2024
	\$	\$
Remuneration of the auditor Saward Dawson, for:		
- auditing the financial statements	7,450	7,000
- other compliance audits	600	600
- preparation of the financial statements	1,000	1,000
Total	9,050	8,600

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:

Income

Donations received	265,660	172,342
Other income	7,967	-

Expenses

Distributions to deductible gift recipients (education and project expenses)	(132,269)	(89,746)
Administrative and other expenses	(80,188)	(51,704)

Surplus/(deficit) for the year

	61,170	30,892
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Assets

Cash and cash equivalents	190,831	140,574
Accrued income	1,238	-
Receivables	9,675	-

Liabilities

Trade and other payables	-	-
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Net assets

	201,744	140,574
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Notes to the Financial Statements

For the Year Ended 31 December 2025

14 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2025	2024
	\$	\$
Surplus/(deficit) for the year	(168,305)	225,603
Non-cash flows in surplus/(deficit):		
- depreciation	13,605	16,132
- (gain)/loss on disposal of property, plant and equipment	(7,684)	(15,770)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(1,438)	4,653
- (increase)/decrease in other assets	30,878	16,829
- increase/(decrease) in trade and other payables	10,813	(4,586)
- increase/(decrease) in employee benefits	18,417	(3,798)
Cashflows from operations	<u>(103,714)</u>	<u>239,063</u>

15 Related Parties

The Group's related parties comprise key management personnel and transactions with them.

Key management personnel

Key management personnel ("KMP") - refer to Note 11.

Directors are not remunerated by the Group for their services as directors.

Donations from key management personnel

KMP, including Directors, as members of the entity, may make personal donations to the entity in support of its purpose of advancing religion and education. These donations are made on the same basis and under the same terms and conditions as donations received from other members and the wider community.

During the financial year, KMP and Directors, in their personal capacity, made donations to the Group totalling \$99,880.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

15 Related Parties

Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

During the financial year, the Company disposed of a motor vehicle to a close relative of a director.

The vehicle was sold at arm's length for consideration of \$49,100, based on market value. The transaction resulted in a gain on disposal of \$7,684, which has been recognised in profit or loss for the year.

The terms and conditions of the transaction were no more favourable than those available to unrelated third parties.

16 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.

17 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 2025 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: 21 April 2026

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 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 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 2025 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 2025.

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 2025. 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

ABN 68 092 388 746

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, VIC

Date: 27 April 2026