Language Loop

ANNUAL REPORT

2025-2026



Endorsed
LANGUAGE SERVICE PROVIDER
LSP925000

ACKNOWLEDGEMENTS

LanguageLoop acknowledges that we are on the lands of the Kulin Nation. We pay our respects to Elders and Traditional Custodians, past and present, throughout Australia, for they hold the memories, the culture, and aspirations of Aboriginal and Torres Strait Islander Peoples.

We acknowledge all of those with lived experience of discrimination. Whether it was due to cultural diversity, gender, sexuality, disability or any intersecting form of diversity, LanguageLoop stands with you.

CONTENTS

5 Who We Are

6 Chair & CEO Reports

10 Board, Leadership & Language Professionals

16 Services

25 Social Procurement

28 Financial Statements

VITS LanguageLoop's Financial Management Compliance Attestation Statement

I, Jenny Mikakos, as the Responsible Body, certify that VITS LanguageLoop has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Signed 

The Hon. Jenny Mikakos
Chair, Board of Directors
VITS LanguageLoop

Date: **27 August 2026**

Who we are

> ***A public sector ethos underpins all aspects of our operations and decision-making.***

Our Vision

An Australian society where intersecting forms of diversity are valued, and language is no barrier to full and equal participation for all.

Our Mission

To facilitate communication to support equitable participation and access for limited English proficiency speakers to all aspects of a diverse Australian society.

Our Values

A commitment to Victorian public sector values, including respect for Human Rights, underpins our values. Our values are embedded into every aspect of our organisational culture, including our processes, governance, customer service, marketing and industrial relations.

Transparency

We are open about our decisions, actions, and processes and take care with the information we receive. We have robust systems and procedures in place.

Excellence

We strive to deliver the highest quality service, marked by a commitment to integrity, professionalism, and reflective practice to support continuous improvement. We strive to model best practice behaviours for language service providers.

Accountability

We take ownership, deliver on commitments and promises, and are answerable for our actions.

Respect

We value diversity and different cultures recognising that people are at the heart of what we do. We welcome, support, and care for our people, clients, and the wider community.

Innovation

We confidently lead the Language Services sector. We find flexible solutions to our clients' and communities' needs in the ways we imagine, create, and deliver our services, including state-of-the-art technology.

Collaboration

We recognise the significance of teamwork and work together to achieve the best outcomes. We work with our people, clients, governments and the wider language services industry to realise our vision.

Chair's Report

Advancing equitable access through system reform and stronger language services

The 2025–26 year has marked a significant step forward for multicultural policy in Victoria, with important implications for language services and for LanguageLoop.

The Victorian Government's response to Victoria's Multicultural Review, led by George Lekakis AO, reinforces the importance of equity, access and participation in supporting strong and socially cohesive communities. LanguageLoop welcomes the review's findings on language services, and the recommendations put forward by the Panel.

The review identifies the need to strengthen policies, service delivery and accountability to better support inclusion across government. Two recommendations are of particular significance: recognising language services as an essential service, and reviewing delivery arrangements to assign critical service areas to LanguageLoop. These reforms are now progressing. We welcome the Government's commitment to improving equitable access to services and information for people with limited English proficiency.

LanguageLoop's leadership in the sector continues to be recognised. During the year the organisation became the first language service provider to receive endorsement under the NAATI Language Service Provider Endorsement Program, reflecting its commitment to quality, professionalism and continuous improvement.

Its collaboration with NAATI and AUSIT, including contributions to national initiatives promoting professional standards, further supports consistency and trust in the sector.

The organisation's capability is also recognised internationally. The visit of a Singapore Government delegation examining models of language service delivery highlighted LanguageLoop's role in supporting accessible and inclusive services and its position as a leading provider.

On behalf of the Board, I thank the Chief Executive Officer, executive team, staff and language professionals for their professionalism and commitment. Their work is central to enabling people across Victoria to access services as intended and to participate fully in the community.

The Board remains focused on supporting LanguageLoop to contribute to a fair, inclusive and socially cohesive Victoria through accessible, high-quality language services.



The Hon. Jenny Mikakos

Board Chair

CEO's Report

Delivering services as intended through accessible, high-quality language services

LanguageLoop delivered a strong performance in 2025–26, despite a challenging operating environment. Reduced expenditure across government interpreting and translation services influenced demand; however, we recorded a profit of $1.1M. This result reflects disciplined financial management, organisational capability and a clear focus on delivering value to government and the community.

Our purpose has remained constant. Across all service channels, we have continued to enable services to be delivered as intended, supporting equitable access to information and helping to reduce barriers to participation for people from diverse linguistic backgrounds. Maintaining this focus in a constrained environment has been both critical and deliberate.

In September, I attended the FIT World Congress, which reinforced the pace of change across the language services sector, particularly in relation to artificial intelligence. AI presents opportunities to enhance access and efficiency; however, it must be applied in a considered and responsible way, consistent with government policy. The expertise, judgement and cultural capability of interpreters and translators remain central to ensuring quality and culturally responsive communication.

We have also maintained a strong focus on sector engagement and community connection. Through national forums, including the Multicultural Health and Wellbeing Conference, and through community initiatives such as Pako Festa, Diversity Week and the Multicultural Film Festival, we have contributed to workforce awareness, sector capability and stronger engagement with diverse communities.

I also welcomed the opportunity to participate in a Multicultural Community Leaders' roundtable hosted by Minister Stitt ahead of the introduction of the Multicultural Victoria Act. Engagement of this kind is important in ensuring that policy development is informed by service delivery experience and community need.

I thank the Board for its guidance and acknowledge the contribution of Joseph Haweil on the completion of his term. I also thank the executive team, staff and language professionals for their ongoing commitment and professionalism.

LanguageLoop is well placed to respond to a changing environment and remains focused on supporting government to deliver inclusive, accessible and equitable services for all Victorians.



Emiliano Zucchi
Chief Executive Officer



With LanguageLoop, I am building a career I can be proud of.

Highlights 2025-26

LANGUAGES

185
languages interpreted

0
languages interpreted for the first time



10
First Nations languages

REVENUE



$31.5m
total revenue 25/26

PEOPLE



593,000+
people assisted

3988
registered language professionals



198
new language professionals



21
RMIT skillset students

SERVICES



174,000+
on-site interpreting assignments



350,000+
telephone interpreting assignments

11,000
video conference interpreting assignments



3.97M+
words translated



Interpreter and Translator's End of Year Event 2025

Good Governance

Effective governance is fundamental to LanguageLoop's operations as a Victorian Government Business Enterprise. Our governance framework supports transparency, accountability and informed decision making, ensuring we meet our obligations under the Financial Management Act and relevant government policies.

Board of Directors



The Hon. Jenny Mikakos | Board Chair

Ms. Jenny Mikakos, GAICD, brings 30+ years in law and public administration, with expertise in health, education, and community services. A fluent Greek speaker and daughter of migrants, she champions diversity and inclusion. She serves as a non-executive director at Optometry Australia and Early Childhood Management Services.



Joseph Haweil | Board Deputy Chair

Joseph Haweil has extensive experience in government, community engagement, and multicultural affairs. Elected to Hume City Council in 2016, he served two terms and is a past Mayor. Fluent in Assyrian, Joseph is passionate about representing diverse communities in one of Victoria's fastest-growing and most multicultural municipalities.

LanguageLoop is governed by an independent Board of Directors, appointed by the Victorian Government, with oversight supported by established committee structures, including the Audit and Risk Committee and the People and Culture Committee. These structures provide assurance in relation to financial management, risk oversight, compliance and organisational performance.

We maintain robust systems, policies and controls to support ethical conduct, effective risk management and compliance with applicable legislative and regulatory requirements. These arrangements enable us to deliver services efficiently while ensuring appropriate stewardship of public resources.

Audit & Risk Committee – responsible for monitoring financial integrity, risk management, compliance, and internal controls.

People & Culture Committee – focused on workforce strategy, organisational culture, service quality, and continuous improvement.

LanguageLoop is committed to continuous improvement in governance practices. Through regular review of our frameworks, controls and performance, we seek to ensure our governance arrangements remain fit for purpose and responsive to evolving government priorities and community expectations.

Audit & Risk Committee
Met 4 times in 2025-26

Joseph Haweil (Chair)	Jenny Mikakos
Raymond Ngo	Kushal Shah
Payal Allen*, Independent Member	

People & Culture Committee
Met 4 times in 2025-26

Eugene Arocca (Chair)	Jenny Mikakos
Shara Teo	Noble Tabe
Thu-Trang Tran	



Eugene Arocca| Board Member

Eugene Arocca draws on over 40 years of leadership across legal, sport, and community sectors. Former CEO of Motorsport Australia and North Melbourne FC, he now chairs the Board of Eastern Health. He is fluent in Italian and recognised for his strong governance expertise.

Noble Tabe | Board Member

Noble has 15 years as a senior executive in Victoria's public sector and now works in a national not-for-profit supporting disability, mental health, aged care and refugees. A Hong Kong -born former international student, she values creating opportunities. Noble holds postgraduate degrees in education and public administration and is a GAICD.



Raymond Ngo | Board Member

Raymond Ngo is a strategic leader with 15 years' experience in not-for-profit and government enterprises. He was General Manager at Melbourne City Mission and now leads Strategy and Impact at WAYSS. He joined the Board in 2023, bringing deep expertise in business transformation, finance, and corporate strategy.





Shara Teo | Board Member

Shara Teo is Chief of Staff at United Workers Union and Deputy Chair at Gippsland Water. She brings expertise in industrial relations, strategic planning, and financial management. An experienced board director, she holds a Bachelor of Laws and Bachelor of Arts from Monash University.

Meetings 2025-26

Name	Term	Board eligible to attend	Board meeting
Jenny Mikakos (Chair)	31 Dec 2024-31 Dec 2027	8	8
Joseph Haweil (Deputy Chair)	27 Apr 2021-3 April 2026	6	6
Noble Tabe	27 Apr 2021-18 Sept 2026	8	7
Raymond Ngo	19 Sept 2023-18 Sept 2026	8	8
Eugene Arocca	24 Apr 2024-25 Apr 2027	8	8
Kushal Shah	24 Apr 2024-25 Apr 2027	8	8
Shara Teo	24 Apr 2024-25 Apr 2027	8	8
Thu-Trang Tran	24 Apr 2024-25 Apr 2027	8	7



Thu-Trang Tran | Board Member

Thu-Trang Tran is a commercial lawyer with strong public sector leadership experience in policy and regulation. She serves on boards including Good Shepherd ANZ, the Telecommunications Industry Ombudsman, and .au Domain Administration. She is also a Commissioner with the Victorian Liquor Commission.



Kushal Shah | Board Member

Kushal is a seasoned leader in financial management, risk, governance, ESG, sustainability and AI transformation, with executive and governance experience across Australia, Asia and Europe. He serves on several public sector boards and audit committees and is Managing Partner of DBS Global. Known for strategic leadership, he helps organisations navigate complexity, strengthen governance, and deliver long-term value through collaboration.



The LanguageLoop Board, Nov 2025 with the Hon. Ingrid Stitt, Minister for Multicultural Affairs.

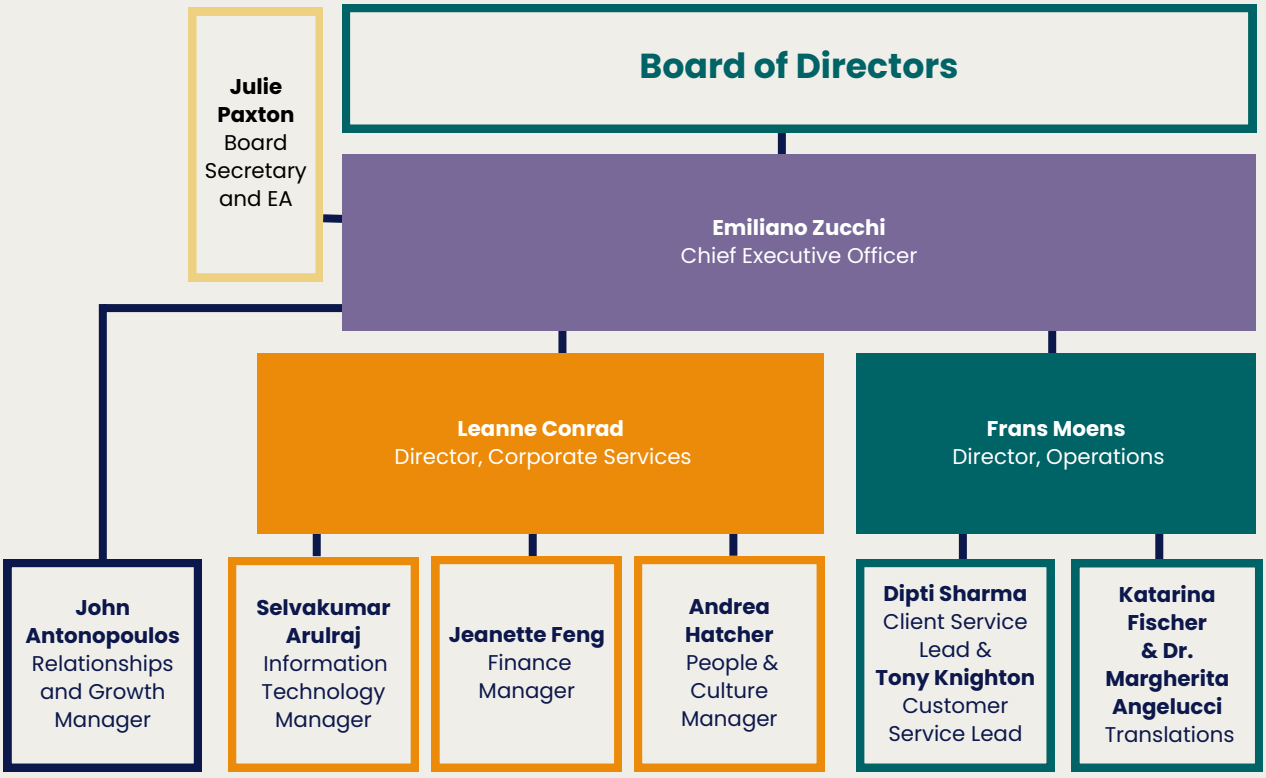
Leadership Team

Throughout 2025–26, LanguageLoop maintained a stable and capable leadership team, supporting consistent organisational performance and effective decision making.

The team's experience, expertise and collaborative approach strengthened operational performance and contributed to the achievement of key strategic and financial objectives in a challenging operating environment.

As the organisation responded to changing client needs, advances in technology and significant developments in multicultural policy, the leadership team maintained a strong focus on continuous improvement, financial sustainability and organisational resilience.
Working closely with the Board, the team has provided clear direction during a period of change, while maintaining a commitment to quality, accessibility and professional standards across all service areas.

Their stewardship has helped position LanguageLoop to respond to future opportunities while continuing to support equitable access to services and information for Victoria's diverse communities.



Our Workforce

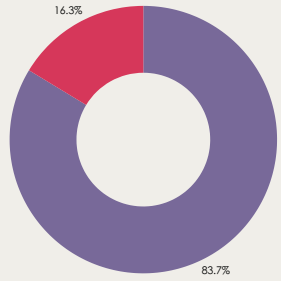
Throughout 2025–26, LanguageLoop was supported by a dedicated team of 49 head office staff and a network of more than 3,988 interpreters and translators. Together, they provide services in over 213 languages, supporting communication across government, community and business settings.

Our workforce reflects the diversity of the communities we serve. Head office staff come from 20 countries across six continents, bringing a broad range of cultural perspectives, language skills and lived experience to the organisation.

This diversity strengthens LanguageLoop's ability to respond to the needs of Victoria's multicultural communities and supports the delivery of accessible, culturally responsive services across all areas of our operations.

HEAD OFFICE STAFF

Employment Status



Full-Time 83.7%

Part-Time 16.3%



LANGUAGE PROFESSIONALS

Recruitment

Victoria	140
Queensland	21
Other States	37
Total	**198**

Recruitment by Gender



Female 72%

Male 28%

Language Professionals

3988



On-site Interpreting

Throughout 2025–26, on-site interpreting remained an essential service, supporting communication between government services and Victoria's diverse communities.

For many clients and practitioners, on-site interpreting is the preferred mode of engagement. The physical presence of an interpreter can support stronger communication, greater trust and a deeper understanding of cultural context, particularly in complex, sensitive or emotionally significant interactions. These settings often require more than the exchange of information, they require meaningful engagement and the confidence that people have been understood.

On-site interpreting plays an important role across health, justice, education, child protection and community services, helping people participate in decisions that affect their lives and wellbeing. By reducing language barriers, it supports equitable access to services and enables people from diverse linguistic backgrounds to engage more fully in the social, economic and civic life of Victoria.

Vietnamese, Arabic and Mandarin remained the most requested languages, with the top five languages accounting for 55.5% of all on-site assignments delivered.

During the reporting period, LanguageLoop delivered over 174,000 on-site interpreting assignments, reflecting continued demand for trusted, face-to-face communication across a broad range of service settings.

As Victoria continues to celebrate and benefit from its cultural and linguistic diversity, on-site interpreting helps strengthen inclusion and social cohesion by ensuring people can access services, share their perspectives and participate confidently in community life, regardless of the language they speak.

Victorian Government On-site Assignments

88,000+

Telephone & Video Interpreting

Throughout 2025–26, telephone and video interpreting expanded access to language services across metropolitan, regional and remote areas.

Throughout 2025–26, telephone and video interpreting continued to play a vital role in connecting people with essential services across metropolitan, regional and remote Victoria.

These delivery channels provide timely and flexible language support, reducing barriers related to distance, availability and urgency. Pre-booked and on-demand options enable responsive communication, with 24-hour telephone interpreting ensuring assistance is available whenever it is needed.

During the reporting period, LanguageLoop delivered over 312,000 telephone interpreting assignments and more than 8,800 video conference sessions, reflecting sustained demand for technology-enabled services.

These services are particularly important in emergency and time-critical situations, where immediate access to accurate communication can influence safety, wellbeing and service outcomes. They also support people from diverse linguistic backgrounds to participate confidently in community life, access essential information and engage with services while maintaining their cultural and linguistic identity. In doing so, they help strengthen both inclusion and social cohesion across Victoria's communities.

Telephone Assignments
350K+

Overall fill rate
93.34%

Fill rate for top 3 languages
95.32%

Top 10 languges for Telephone Interpreting

MANDARIN	27.99%
ARABIC	13.06%
VIETNAMESE	10.06%
DARI	6.42%
PERSIAN	4.19%
CANTONESE	3.22%
KOREAN	2.14%
SPANISH	2.01%
TURKISH	1.81%
BURMESE	1.75%

Video Remote Assignments
11,000

Sectors

LEGAL	47%
CHILD PROTECTION, DISABILITY & FAMILY VIOLENCE PREVENTION	21%
MENTAL HEALTH	15%



Translations Service

Top 10 Languages Translated

SIMPLIFIED CHINESE	11.24%
VIETNAMESE	10.05%
ARABIC	9.42%
DARI	3.99%
PERSIAN	3.86%
TRADITIONAL CHINESE	3.65%
PUNJABI	3.44%
HINDI	3.15%
ITALIAN	2.78%
TAMIL	2.72%

3.97m + words translated

ISO CERTIFIED

17100

Throughout 2025–26, the Translations team maintained high-quality service delivery during a period of change. This included onboarding new staff and strengthening capability, while continuing to meet demand and maintain consistent service levels.

The team's commitment to quality was reflected in achieving ISO 17100 certification for translation services. Collaboration with Monash University also progressed, expanding work on community review to include translation co-design, supporting more inclusive and culturally responsive outcomes.

During the year, the team advanced the transition to a new translation management system and CAT tool, supported by targeted training for staff and contractors. Strong client partnerships remained a priority, with the team responding effectively to sustained and often urgent demand, including from Child Protection, while maintaining quality and timeliness.

These efforts support accurate, accessible and culturally appropriate translations, enabling people to engage confidently with information and services across government and the community.



The opening of the Footscray Hostpital was just one of the projects our translations team delivered.

Innovation Grant

Imagine what's possible with LanguageLoop

LanguageLoop's Innovation Grant supports projects that strengthen the quality, capability and sustainability of Australia's language services sector.

During 2025–26, the grant continued to bring together leading organisations, researchers and practitioners to address emerging challenges and opportunities. Through partnerships, LanguageLoop contributed to initiatives that support quality, ethical practice and continuous improvement.

A key achievement was the development of a visual Code of Ethics Poster, commissioned through the grant and based on the AUSIT Code of Ethics. Endorsed by AUSIT and subsequently adopted by NAATI as part of its national awareness campaign, the resource provides an accessible guide to the principles that underpin professional interpreting and translation practice. It's aim, to build trust among patients that are supported by language services.

The grant also enabled further development of the Talk to Me App, a practical tool designed to improve communication between healthcare service providers, language professionals and patients. The project demonstrates how technology can enhance accessibility and support vital communication while maintaining the central role of qualified practitioners.

In addition, LanguageLoop is supporting the current review of the AUSIT Code of Ethics. Bringing together industry experts and key stakeholders, the review is examining how professional standards can continue to evolve in response to changing service models, community expectations and emerging technologies, including adressing artificial intelligence.

Scholarships and professional development opportunities also remained an important focus, helping practitioners build specialist expertise in high-demand areas such as health and legal interpreting.

These initiatives reflect LanguageLoop's commitment to innovation and professional excellence. By investing in partnerships with organisations and experts that are shaping the future of the profession, LanguageLoop continues to contribute to stronger standards, greater capability and improved outcomes for the communities we serve.



This innovative resource can be downloaded from our website

Community

We've been busier than ever this year. Through partnership and support, we've empowered our community and helped to create a brighter future for our sector.



2025

July

LanguageLoop supported the 2025 Multicultural Film Festival, contributing to an initiative that promotes inclusion, cultural diversity and community participation across Victoria.

August

Emergency Management Conference



LanguageLoop at the Emergency Management Conference, raised awareness about the importance of including multicultural communities in emergency preparedness and response.



September

Premier's Victorian Multicultural Gala

The Premier's Victorian Multicultural Gala, contributing to an event that recognises multicultural achievement and promotes inclusion across Victoria.

November

AUSIT National Conference

AUSIT's National Conference is a significant event for our sector. Held in Canberra, participants had the opportunity to connect with colleagues and learn from experts. LanguageLoop was a proud on-going sponsor of this event in 2025.

African Music and Cultural Festival



This outdoor festival held annually at Fed Square showcases the African community in Melbourne, and brought out the LanguageLoop fans.



December

Working with our partners at RMIT, LanguageLoop supported the Big Industry Challenge learning event for students to visit our offices, and work together to creatively devise solutions to industry challenges.

Support & Impact 2026

January

February

PAKO Festa

This annual Geelong festival sponsored by Cultura continues to grow, and LanguageLoop was there. It's a great chance to connect with community, and make contact with aspiring language professionals.





March

Cultural Diversity Week

Cultural Diversity Week is an important event on the Victorian Calendar. This year our team sponsored multiple events held across the week.



April

LanguageLoop attained our endorsement as a Language Service Provider through NAATI. In the same month, we also became ISO 17100 certified.



June



Languages 2025-26

ACHOLI
AFAR
AFRIKAANS
AKAN
ALBANIAN
AMHARIC
ANUAK
ARABIC
ARMENIAN
ASSYRIAN
AUSLAN
AZERBAIJANI
BARI
BELARUSIAN
BENGALI
BISLAMA
BOSNIAN
BULGARIAN
BURMESE
CANTONESE
CATALAN
CEBUANO
CHALDEAN
CHEWA
CHICHEWA
CHIN (Falam)
CHIN (Hakha)
CHIN (Kuki)
CHIN (Lai)
CHIN (Lautu)
CHIN (Mara)
CHIN (Matu)
CHIN (Mindat)
CHIN (Mizo)
CHIN (Senthang)
CHIN (Siyin)
CHIN (Tedim)
CHIN (Thado)
CHIN (Zo)
CHIN (Zomi)
CHIN (Zophei)
CHIN (Zotung)
CHINESE
COMREAN
CONGOLESE
CROATIAN
CZECH
DAGBANI
DANISH
DARI
DINKA
DUTCH
DZONGKHA
EMBU
ESTONIAN
EWE
FANTI
FIJI HINDI
FIJIAN
FILIPINO
FINNISH
FLEMISH
FRENCH
FRENCH CREOLE
FUJIAN
FULIIRU
FUQING
FUZHOU
GEORGIAN
GERMAN
GREEK
GUJARATI
HAKKA CHINESE
HARARIC
HAZARAGI
HEBREW
HINDI
HMONG
HOKKIEN
HUASA
HUNGARIAN
IBO
IGBO
ILOCANO
ILONGGO
INDONESIAN
ITALIAN
JAPANESE
JUBA ARABIC
KACHIN
KAMBA
KANNADA
KAREN (Pwo)
KAREN (S'gaw)
KARENNI
KAYAH
KAZAKH
KHMER
KIBEMBE
KIEMBU
KIKUYU
KINYABWISHA
KINYARWANDA
KIRIBATI
KIRUNDI
KISSI
KISWAHILI
KOREAN
KRIO
KUNAMA
KURDISH (Bahdini)
KURDISH (Ezidi)

KURDISH (Feyli)
KURDISH (Kurmanji)
KURDISH (Sorani)
LAOTIAN
LATVIAN
LIBERIAN ENGLISH
LINGALA
LISU
LITHUANIAN
LOPIT
LOU
LUGANDA
LUO
MAAY
MACEDONIAN
MADINGO
MALAY
MALAYALAM
MALTESE
MANDARIN
MAORI (Cook Island)
MAORI (New Zealand)
MARATHI
MAURITIAN CREOLE
MELANESIAN PIDGIN PNG
MENDE
MERU

MOLDAVIAN
MONGOLIAN
MONTENEGRIN
MORU
MOTU
MURLE
NAURUAN
NEPALI
NKORE
NORTH AZERBAIJANI
NORWEGIAN
NUER
OROMO
PASHTO
PERSIAN
PIDGIN ENGLISH
POLISH
PORTUGUESE
PUKAPUKAN
PUNJABI
ROHINGYA
ROMANIAN
RUNYANKOLE
RUSSIAN
RUTOORO
SAHO
SAMOAN

SANGO
SANSKRIT
SERBIAN
SHANGHAINESE
SHONA
SICHUANESE
SIDAMO
SINDHI
SINHALESE
SLOVAK
SLOVENE
SOLOMON ISLANDS PIDGIN
SOMALI
SOUTH AZERBAIJANI
SPANISH
SUDANESE
SUKUMA
SWAHILI
SWAHILI CONGO
SWEDISH
SYLHETI
SYRIAC
TAIWANESE
TAJIK
TAMIL
TATAR

TE REO MAORI
TELUGU
TEOCHEW
TETUM
THAI
TIBETAN
TIGRE
TIGRIGNA
TOISHAN
TOK PISIN
TOKELAU
TONGAN
TURKISH
TURKMEN
TUROYO
TUVALUAN
TWI
UKRAINIAN
URDU
UYGHUR
UZBEK
VIETNAMESE
VISAYAN
WATCHI
WU CHINESE
YIDDISH
YORUBA



With LanguageLoop, I am contributing by supporting limited English speakers access services

Social Procurement Plan 2025-30

As a Government Business Enterprise, VITS LanguageLoop is required to comply with the Victorian Government's Social Procurement Policy; as such, this framework aligns with Victoria's social procurement framework-building a fair, inclusive and sustainable Victoria through procurement.

This framework aims to ensure that value-for-money considerations are not solely focused on price, but also encompass opportunities to deliver social and sustainable outcomes that benefit the Victorian community. The framework sets out a whole-of-government, scalable and consistent approach to social procurement for all Government departments and agencies. For suppliers, whether they be major businesses or small to medium enterprises (SMEs), the framework advises how to incorporate social value when competing for government procurement opportunities

Objectives

VITS LanguageLoop will support the expansion and standardization of social procurement practice across all government procurement activities through both direct and indirect methods. Our objectives are as follows:

Social Procurement Objective	Outcomes Sought	Plan	Timeline & Progress
Opportunity for Victorian Aboriginal people	Purchasing from Victorian Aboriginal Businesses	Liaise with suppliers to ascertain their compliance with objectives of this framework	Achieved
		Purchase Aboriginal art and Acknowledgement Plaques	Achieved
	Employment of Victorian Aboriginal people by suppliers to the Victorian Government	Ascertain our suppliers have a social procurement policy and an Aboriginal Employment Strategy in place	Ongoing
		Employ Aboriginal interpreters	Achieved
Opportunities for Victorians with disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises	Liaise with suppliers to ascertain they comply with objectives of this framework	Ongoing
		Source supplies from Australian Disability Enterprises	Ongoing
	Employment of Victorians with disability by suppliers to the Victorian Government	Ascertain our suppliers employ people with a disability	Ongoing

Social Procurement Objective	Outcomes sought	Plan	Timeline & Progress
Women's equality and safety	Adoption of family violence leave by Victorian Government suppliers	Liaise with suppliers to ascertain that they comply with objectives of this framework	Achieved
		Adopt Family Violence Leave via Board approved policy	Achieved
	Gender equality within Victorian Government suppliers	Ascertain that our suppliers subscribe to gender equality	Achieved
		Implement Gender Equality Policy	Ongoing
Opportunities for disadvantaged Victorians	Purchasing from Victorian social enterprises	Actively utilise local social enterprises when available for provision of products and services	Achieved
	Job readiness and employment for long-term unemployed people: -Disengaged Youth -single parents -migrants and refugees	Through initiatives like our Skills Set program, we are promoting job readiness in multicultural communities and providing pathways to employment with LanguageLoop.	Achieved
Supporting safe and fair workplaces	Purchasing from suppliers that comply with industrial relations laws and promote secure employment	Our purchasing contracts require our suppliers to comply with Industrial Relations laws.	Achieved
		Language Professionals are currently engaged under an independent contractor framework, but work is underway to transition this component of our workforce to a direct employment model.	Ongoing
Sustainable Victorian social enterprise and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	See above	
Sustainable Victorian regions	Job readiness and employment for people in regions with entrenched	Promote language services careers in regional Victoria via recruitment strategy	Ongoing
Environmentally sustainable outputs	Project specific requirements to use sustainable resources and to manage waste pollution	A Bin Tracker system has been implemented to track the level of landfill and recyclable waste.	Achieved.
		Purchase of stationery is focused on recycled products and products that can be recycled.	Achieved
Environmentally sustainable business practices	Adoption of sustainable business practices by suppliers to the Victorian Government	Liaise with suppliers to ascertain that they comply with framework objectives	Ongoing
Implementation of the Climate Change Policy Objectives	Project specific requirements to minimise greenhouse gas emissions	Minimise air travel by clustering interstate events	Achieved
	Procurement of outputs that are resilient against the impact of climate change	Roster staff to work from the office on given days to reduce overheads	Ongoing



"With LanguageLoop, I've been able to support so many from my community in a meaningful way"

VITS LANGUAGELOOP 2025–2026

Financial Statment

For the year ended 30 June 2026

Statement by Directors and Management
Independent Auditor's Report
Comprehensive operating statement
Balance sheet
Statement of changes in equity
Cash flow statement
Notes to the financial statements
Note 1 About this report
Note 2 Funding delivery of our services
Note 3 Cost of delivering services
Note 4 Key assets to support service delivery
Note 5 Other assets and liabilities
Note 6 How we financed our operations
Note 7 Financial instruments, contingencies and valuation judgements
Note 8 Other disclosures

VITS LanguageLoop's Financial Management Compliance Attestation Statement

I, Jenny Mikakos, as the Responsible Body, certify that VITS LanguageLoop has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Signed 

The Hon. Jenny Mikakos
Chair, Board of Directors
VITS LanguageLoop

Date: **27 August 2026**

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of VITS LanguageLoop

Opinion

I have audited the financial report of VITS LanguageLoop (the authority) which comprises the:

- balance sheet as at 30 June 2026
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- 2026 statement by directors and management.

In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards - Simplified Disclosures

Basis for opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report

The Board of the authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board are responsible for assessing the authority'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 it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's 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 authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority 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.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
4 September 2026

Sanchu Chummar
as delegate for the Auditor-General of Victoria

VITS LANGUAGELOOP

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Continuing operations			
Revenue and income from transactions			
Sale of services	2.2.2	30,194,618	31,196,187
Grants	2.2.3	762,676	476,962
Interest income	2.2.1	502,089	448,815
Total revenue and income from transactions	**2.1**	**31,459,383**	**32,121,964**
Expenses from transactions			
Cost of services provided	3.2	21,619,294	22,343,139
Employee expenses	3.3	5,486,446	5,282,151
Supplies and services	3.4	2,593,850	1,901,170
Grant expenses	3.5	94,992	-
Depreciation and amortisation	4.1.2	536,442	494,241
Total expenses from transactions		**30,331,024**	**30,020,700**
Net result from transactions (net operating balance)		**1,128,359**	**2,101,264**
Other economic flows included in net result	8.2		
Net loss on financial instrument		(24,503)	(21,326)
Net gain/(loss) on the revaluation of long service leave liability		7,339	(3,597)
Total other economic flows included in net result		**(17,164)**	**(24,923)**
Net result from continuing operations		**1,111,195**	**2,076,341**
Comprehensive result		**1,111,195**	**2,076,341**

VITS LANGUAGELOOP

BALANCE SHEET

AS AT 30 JUNE 2026

	Note	2026 $	2025 $
Assets			
Financial assets			
Cash	6.3	11,617,924	10,723,683
Receivables	5.1	4,105,677	3,381,780
Total financial assets		**15,723,601**	**14,105,463**
Non-financial assets			
Property, plant and equipment	4.1	629,763	630,803
Intangible assets	4.2	793,269	1,172,733
Prepayments		253,741	190,611
Total non-financial assets		**1,676,773**	**1,994,147**
Total assets		**17,400,374**	**16,099,610**
Liabilities			
Payables	5.2	1,332,725	1,807,356
Contract liabilities	5.3	1,382,783	645,671
Borrowings	6.1	297,984	511,136
Employee related provisions	3.3.1	784,592	644,352
Total liabilities		**3,798,084**	**3,608,515**
Net assets		**13,602,290**	**12,491,095**
Equity			
Contributed capital		400,000	400,000
Accumulated surplus		13,202,290	12,091,095
Net worth		**13,602,290**	**12,491,095**

VITS LANGUAGELOOP

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Accumulated Surplus $	Contributions by Owner $	Total $
Balance at 1 July 2024	**10,014,754**	**400,000**	**10,414,754**
Net result for the year	2,076,341	-	2,076,341
Balance at 30 June 2025	**12,091,095**	**400,000**	**12,491,095**
Net result for the year	1,111,195	-	1,111,195
Balance at 30 June 2026	**13,202,290**	**400,000**	**13,602,290**

VITS LANGUAGELOOP

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		29,406,863	31,569,686
Receipts from government		1,581,818	886,818
Payments to suppliers & employees		(26,852,787)	(26,915,465)
Payments of grant expenses		(94,992)	-
GST paid to the ATO [(a)]		(2,381,017)	(2,405,927)
Interest received		502,090	448,815
Interest paid		(16,460)	(4,901)
Net cash flows from operating activities		**2,145,515**	**3,579,026**
Cash flows from investing activities			
Payments for property, plant and equipment		(318,841)	(74,979)
Payments for intangible assets		(734,344)	(522,162)
Net cash flows used in investing activities		**(1,053,185)**	**(597,141)**
Cash flows from financing activities			
Prepayment of principal portion of lease liability [(b)]		(198,089)	(202,440)
Net cash flows used in financing activities		**(198,089)**	**(202,440)**
Net increase in cash and cash equivalents		**894,241**	**2,779,445**
Cash and cash equivalents at beginning of financial year		**10,723,683**	**7,944,238**
Cash and cash equivalents at end of financial year	**6.3**	**11,617,924**	**10,723,683**

The accompanying notes form part of these financial statements.

Notes:

(a) GST paid to the Australian Taxation Office is presented on a net basis

(b) Cash payments for the principal portion of lease payments reported as financing activities and cash payments for the interest portion as operating activities.

Note 1 About this report

The financial statements cover LanguageLoop as an individual reporting entity. Its principal address is:

LanguageLoop
Level 16, 607 Bourke Street
Melbourne Vic 3000

State Body

VITS LanguageLoop was first established in 1975 and declared a State body under section 14 of the State Owned Enterprises Act 1992 (the Act) by Order in Council titled State Owned Enterprises (State Body – Victorian Interpreting and Translating Service) Order 1993 (Gazette No. G 5 of 3 February 1994).

VITS LanguageLoop was established to provide high-quality and accessible language services (interpretation and translation) to both public and private sector organisations.

On the 17th December 1998 VITS LanguageLink (formerly known as Victorian Interpreting and Translating Service) was declared to be a State Business Corporation.

On the 14th January, 1999 the Treasurer formerly announced under Section 46 of the State Owned Enterprises Act 1992 that initial capital of VITS LanguageLink was to be the sum of $400,000.

On the 25th September 2018 VITS LanguageLink changed its business name to LanguageLoop.

Effective 1st July 2026, LanguageLoop transitioned from operating as a Government Business Enterprise (GBE) to a State body.

Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act (FMA) and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and Financial Reporting Direction 101 Application of Tiers of Australian Accounting Standards (FRD 101).

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

The amounts presented in the financial statements have been rounded to the nearest dollar unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Note 2 Funding delivery of our services

Introduction

LanguageLoop is a for-profit organisation. The income is generated mainly from providing interpreting and translating services.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the service as it is provided in line with AASB 15 *Revenue from Contracts with Customers.*

2.1 Summary of revenue and income that funds the delivery of our services

	Notes	2026 $	2025 $
Grants	2.2.3	762,676	476,962
Interest income	2.2.1	502,089	448,815
Total revenue and income from transactions		**1,264,765**	**925,777**

2.2 Income from transactions

2.2.1 Interest income

Interest income includes interest received on cash and deposits. Refer to 7.1.1 for information on interest income.

2.2.2 Sale of services

	2026 $	2025 $
Interpreting services	28,306,308	29,075,059
Translation services	1,826,269	2,001,546
Other	62,041	119,582
Total sale of services	**30,194,618**	**31,196,187**

Sale of service: Revenue from the provision of interpreting and translation services is recognised when the service has been provided, i.e., at a point in time. Revenue is measured based on the consideration specified in the contract with the customer. LanguageLoop recognises revenue when it transfers control of a service to the customer, i.e. as the performance obligations for the services to the customer are satisfied.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

For contracts that permit the customer to return a service, revenue is recognised as outlined above as it is highly probable that a significant cumulative reversal will not occur. In the unlikely circumstances where a refund is required due to adverse quality of service it is measured at the original invoice value.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.3).

2.2.3 Grants

	2026 $	2025 $
Grants recognised as revenue from contract with customers		
Other specific purpose grant	762,676	476,962
Total grants	**762,676**	**476,962**

Grants recognised under AASB 15

Income from grants that are enforceable and sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. These grants relate to the development of LanguageLoop's systems and support operating costs relating to transition. Revenue is recognised progressively as the intangible asset is developed. This aligns with LanguageLoop's obligation to construct the asset. The actual costs incurred are used to recognise revenue because this most closely reflects the development progress as costs are incurred as the works are completed. The payments are normally received in advance.

Note 3 Cost of delivering services

Introduction

This section provides an account of the expenses incurred by LanguageLoop in delivering the services and outputs. Expenses are recognised as they are incurred and reported in the financial year to which they relate.

3.1 Expenses incurred in delivery of services

	Notes	2026 $	2025 $
Cost of services	3.2	21,619,294	22,343,139
Employee expenses	3.3	5,486,446	5,282,151
Supplies and services	3.4	2,593,850	1,901,170
Grant expenses	3.5	94,992	-
Total expenses incurred in delivery of services		**29,794,582**	**29,526,460**

3.2 Cost of services provided

	2026 $	2025 $
Cost of interpreting	20,555,535	21,224,890
Cost of translating	1,063,759	1,118,249
Total cost of services	**21,619,294**	**22,343,139**

Cost of services provided, generally the hiring of interpreters and translators, are costs related to the income received as sales of services and are recognised in the same period as income.

3.3 Employee benefit expenses in the comprehensive operating statement

	2026 $	2025 $
Salary, wages, annual leave and long service leave	5,001,472	4,814,446
Employer superannuation contribution	476,247	444,259
Staff training and development	8,727	23,446
Total employee expenses	**5,486,446**	**5,282,151**

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period. There is no superannuation under a defined benefit plan.

3.3.1 Employee related provisions in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2026 $	2025 $
Current Provisions		
Annual Leave	447,141	326,051
Long Service Leave	144,700	142,659
Provisions for on-costs	107,238	84,622
Total current provisions for employee benefits	**699,079**	**553,332**
Non-Current Provisions		
Long service leave	72,395	77,100
On-costs	13,118	13,920
Total non-current provisions for employee benefits	**85,513**	**91,020**
Total provisions for employee benefits	**784,592**	**644,352**

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because LanguageLoop does not have an unconditional right to defer settlement of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As LanguageLoop expects the liabilities to be wholly settled within 12 months of reporting date, they are measured as undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as LanguageLoop does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability, even where LanguageLoop does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at either:

- undiscounted value: if LanguageLoop expects to wholly settle within 12 months

- present value : if LanguageLoop does not expect to wholly settle within 12 months

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.4 Supplies and services

	Notes	2026 $	2025 $
Computer expenses		747,375	872,991
Communication expenses		109,575	108,266
Office, utilities and property expenses		257,978	245,995
Business promotion		72,278	127,252
Board management fees		190,264	210,670
Industry development program		46,207	32,285
Bank, audit, consultancy and legal fees		165,124	116,964
Other administration expenses		141,039	186,747
Impairment loss	4.2	864,010	-
Total supplies and services		**2,593,850**	**1,901,170**

Supplies and services include all other significant related expenses that are associated with provision of services during the financial year. They are recognised as an expense in the reporting period in which they are incurred.

Other administration expenses represent the administration costs associated with the day-to-day running of normal operations. It also includes bad debts expense taken up for the year.

3.5 Grant expenses

	2026 $	2025 $
Payments for specific purposes	94,992	-
Total grant expenses	**94,992**	**-**

Grant expenses represent the operational costs incurred by LanguageLoop as it transitions from a contractor based workforce engagement model to an employment based model. Refer to 5.3.1 for further details.

Note 4 Key assets to support service delivery

4.1 Property, plant and equipment

LanguageLoop controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to LanguageLoop to be utilised for delivery of those services.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
Right-of-use asset: Building[(a)]	1,812,708	1,845,943	(1,558,123)	(1,341,344)	254,585	504,599
Furniture and fittings	9,618	4,618	(6,152)	(4,618)	3,466	(0)
Office equipment	404,772	359,425	(290,674)	(239,688)	114,098	119,737
Leasehold improvement	595,483	332,779	(337,868)	(326,312)	257,615	6,467
Net carrying amount	**2,822,581**	**2,542,765**	**(2,192,817)**	**(1,911,962)**	**629,764**	**630,803**

Note:
(a) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.3

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount. The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The following tables are right-of-use assets included in the PPE balance, presented by subsets of buildings.

4.1.1 Total right-of-use assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
Building[(a)]	1,812,708	1,845,943	(1,558,123)	(1,341,344)	254,585	504,599
Net carrying amount	**1,812,708**	**1,845,943**	**(1,558,123)**	**(1,341,344)**	**254,585**	**504,599**

Change for period	Building
Balance at 1 July 2025[(a)]	504,599
Additions	17,239
Disposals	-
Remeasurements	(50,475)
Depreciation	(216,778)
Balance at 30 June 2026	**254,585**

Note:
(a) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.3

Right-of-use asset acquired by lessees - Initial measurement

LanguageLoop recognises a right-of-use asset and a lease liability at the lease commencement date.
The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:
- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred
- any estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset - Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability. LanguageLoop depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment of right-of-use assets is determined and accounted for in accordance with AASB 136 *Impairment of Assets.*

Impairment of right-of-use assets

LanguageLoop has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

4.1.2 Depreciation and amortisation

Charge for the period	2026 $	2025 $
Furniture and fittings	(1,534)	(16)
Office equipment	(56,776)	(46,140)
Leasehold improvement	(11,556)	(40,842)
Intangible assets (amortisation)	(249,798)	(234,763)
Right-of-use asset: Building	(216,778)	(172,479)
Total depreciation and amortisation	**(536,442)**	**(494,241)**

All plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life (years)
Furniture and fittings	3 - 5
Office equipment	3
Leasehold improvement	4
Intangible produced	5 - 8
Right-of-use: Building	3

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of-use asset is depreciated over the asset's lease term.

4.1.3 Reconciliation of movements in carrying amounts of property, plant and equipment[(a)]

	Right-of-use asset[(b)]	Furniture and Fittings	Office Equipment	Leasehold Improvement	Total
Balance at 1 July 2024	201,226	16	90,898	47,309	339,449
Additions	475,852	-	74,979	-	550,831
Disposals	-	-	(53,560)	-	(53,560)
Depreciation & amortisation - Disposals	-	-	53,560	-	53,560
Depreciation & amortisation	(172,479)	(16)	(46,140)	(40,842)	(259,478)
Balance at 30 June 2025	**504,599**	**-**	**119,737**	**6,467**	**630,803**
Balance at 1 July 2025	504,599	-	119,737	6,467	630,803
Additions	17,239	5,000	51,137	262,704	336,079
Disposals	-	-	(5,790)	-	(5,790)
Remeasurements	(50,475)	-	-	-	(50,475)
Depreciation & amortisation - Disposals	-	-	5,790	-	5,790
Depreciation & amortisation	(216,778)	(1,534)	(56,776)	(11,556)	(286,644)
Balance at 30 June 2026	**254,585**	**3,466**	**114,098**	**257,615**	**629,763**

Note:
(a) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material for a full revaluation as per the requirement of FRD 103. The next scheduled full revaluation for this purpose group will be conducted in 2027.
(b) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.3.

4.2 Intangible assets

	ERP system	Booking system	Data Warehouse	Telecommunication /IVR System	Translation Management System	Work in progress	Total
Gross carrying amount							
Opening balance	**234,524**	**1,228,946**	**189,727**	**446,780**	**-**	**476,962**	**2,576,939**
Additions	-	-	-	-	-	-	-
Additions from internal development	46,637	-	-	-	66,660	621,047	734,344
Closing balance	**281,161**	**1,228,946**	**189,727**	**446,780**	**66,660**	**1,098,009**	**3,311,283**
Accumulated amortisation and impairment							
Opening balance	**(234,524)**	**(842,103)**	**(189,727)**	**(137,852)**	**-**	**-**	**(1,404,206)**
Amortisation of intangible produced assets[(a)]	(13,116)	(176,730)	-	(58,848)	(1,104)	-	(249,798)
Impairment losses charged to net result[(b)]	-	-	-	-	-	(864,010)	(864,010)
Closing balance	**(247,640)**	**(1,018,833)**	**(189,727)**	**(196,700)**	**(1,104)**	**(864,010)**	**(2,518,014)**
Net book value at 30 June 2026	**33,521**	**210,113**	**-**	**250,080**	**65,556**	**233,999**	**793,269**

Note:
(a) The consumption of intangible produced assets is included in 'depreciation and amortisation' line item, where the consumption of the intangible non-produced assets is included in 'net gain/(loss) on non-financial assets' line item on the comprehensive operating statement.
(b) Impairment losses are included in the line item 'Supplies and services' in the comprehensive operating statement.

Purchased intangible assets

Are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the asset is available for use, that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits

- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Subsequent measurement

Intangible produced assets and non-produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives.

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

During the financial year, LanguageLoop recognised an impairment loss of $864,010 regarding capitalised system development costs included in work in progress. These costs were intended to support an interpreter workforce transitioning from a contractor workforce model to an employee workforce model where interpreters are paid per assignment. Following updated advice, relating to the application of the State Government Agencies Administration Award 2020 (MA000121), there has been a fundamental change in the operating model and as a result, the system under development is no longer fit for purpose and will not be completed or deployed.

Following the shift in the operating model and the abandonment of the associated system development, the affected work in progress no longer contributes to future service delivery. In accordance with AASB 136 Impairment of Assets, management assessed the asset's recoverable amount and determined it to be nil, as it has no alternative use and will not generate future economic benefits. Consequently, the carrying amount of the asset has been fully impaired.

Note 5 Other assets and liabilities

5.1 Receivables

This section sets out those assets and liabilities that arose from LanguageLoop's controlled operations.

	2026 $	2025 $
Contractual		
Trade receivables	4,105,677	3,381,780
Total receivables	**4,105,677**	**3,381,780**
Represented by		
Current receivables	4,105,677	3,381,780
Non-current receivables	-	-

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. LanguageLoop holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

5.1.2 Impairment loss

	2026 $	2025 $
Impairment loss		
Impairment loss on contractual receivables		
From transactions	(24,503)	(21,326)

In accordance with FRD 114 Financial Instrument, all entities shall apply the simplified approach, which requires the loss allowance to always be measured at an amount equal to lifetime expected credit losses for all trade receivables, lease receivables and statutory receivables.

The loss allowances for receivables are based on assumptions about risk of default and expected loss rates. The expected loss rates applied as at 30 June 2026 is 0.375% of the total debtor balance (30 June 2025 - 0.293% of the total debtor balance).

Impairment of financial assets

LanguageLoop records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Contractual receivables are subject to AASB 9 impairment assessment.

Contractual receivables at amortised cost

LanguageLoop applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. LanguageLoop has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on its past history, existing market conditions, as well as forward looking estimates at the end of the financial year.
Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

5.2 Payables

	2026 $	2025 $
Contractual		
Supplies and services	576,264	621,063
Accrued expenses	497,467	782,705
Statutory		
Taxes payable	258,994	403,588
Total payables	**1,332,725**	**1,807,356**
Represented by		
Current payables	1,332,725	1,807,356
Non-current payables	-	-

Payables consist of:

- Contractual payable: Classified as financial instruments and measured at amortised cost. Payables consist predominantly of accounts payable and other sundry liabilities. Accounts payable represent liabilities for services provided to the company prior to the end of the financial year that are unpaid.

- Statutory payable: Recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts. Payables consist of goods and services tax and pay as you go (PAYG) payables.

5.3 Contract liabilities

	2026 $	2025 $
Prepaid VITS Languagelink	137,317	235,815
Deferred grant revenue	1,245,466	409,856
Total contract liabilities	**1,382,783**	**645,671**
Represented by		
Current contract liabilities	1,382,783	645,671
Non-current contract liabilities	-	-

Contract liabilities include consideration received in advance from customers in respect of interpreting and translation services. Invoices are raised once the services are provided to them.

5.3.1 Deferred grant revenue

Grant consideration was received from the Victorian Government to support the development of a transition system arising from LanguageLoop's transition from a contractor based workforce engagement model to an employment based model.

Grant revenue is recognised progressively as the project progresses, since this is the time when LanguageLoop satisfies its obligations under the transfer by controlling the asset as and when it is developed. The actual costs incurred is used to recognise revenue because this most closely reflects the progress to completion as costs are incurred as the works are done. As a result, LanguageLoop has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

	2026 $	2025 $
Opening balance of deferred grant revenue	409,856	-
Grant for capital and operating purposes received during the year	1,598,285	886,818
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(667,683)	(476,962)
Grant revenue for operating works recognised consistent with the operating works undertaken during the year	(94,992)	-
Closing balance of deferred grant revenue	**1,245,466**	**409,856**

Note 6 How we financed our operations

This section provides information on the sources of finance utilised by LanguageLoop during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of LanguageLoop.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

6.1 Borrowings

	2026 $	2025 $
Lease liabilities[(a)]	254,185	223,746
Total current borrowings and lease liabilities	**254,185**	**223,746**
Lease liabilities	43,799	287,390
Total non-current borrowings and lease liabilities	**43,799**	**287,390**
Total borrowings and lease liabilities	**297,984**	**511,136**

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

During the current and prior year, there were no default or breaches of any loans as the entity did not hold any loans.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Terms and conditions of borrowings

	Weighted average interest rate	Carrying amount	Nominal amount	Maturity dates		
				Less than 1 year	1-5 years	5+ years
Lease liability	4.10	511,136	531,784	237,450	294,334	-
Balance at 30 June 2025		**511,136**	**531,784**	**237,450**	**294,334**	**-**
Lease liability	4.20	297,984	305,160	261,281	43,879	-
Balance at 30 June 2026		**297,984**	**305,160**	**261,281**	**43,879**	**-**

Interest expense

	2026 $	2025 $
Interest on leases liability	16,460	4,901
Total interest expense	**16,460**	**4,901**

Note:

(a) Lease liability relates to lease of office building and car park.

Interest expense includes costs incurred in connection with the interest component of lease repayments.

Interest expense is recognised in the period in which it is incurred. LanguageLoop recognises borrowing costs immediately as an expense.

6.2 Leases

6.2.1 Right-of-use assets

LanguageLoop leasing activities

LanguageLoop currently has one lease in operation relating to its office premise at Level 16, 607 Bourke St, Melbourne VIC 3000. The initial leasing period was from 01/09/2017 to 31/08/2022 with an option to extend for another three years to 31/08/2025. In the financial year 2022-2023, LanguageLoop executed the option to extend the lease term to 31/08/2025. In the financial year 2024-2025, LanguageLoop has extended the lease for another two years to 31/08/2027.

Right-of-use assets are presented in note 4.1.1.

Recognition and measurement of leases as a lessee

For any new contracts entered into, LanguageLoop considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition LanguageLoop assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to LanguageLoop and for which the supplier does not have substantive substitution rights

- whether LanguageLoop has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and LanguageLoop has the right to direct the use of the identified asset throughout the period of use

- whether LanguageLoop has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use

Lease liability - initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using LanguageLoop's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable

- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date

- amounts expected to be payable under a residual value guarantee

- payments arising from purchase and termination options reasonably certain to be exercised

Lease liability - subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment of modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Presentation of right-of-use assets and lease liabilities

LanguageLoop presents right-of-use assets as 'property, plant and equipment' '(refer to note 4.1). Lease liabilities are presented as 'borrowings' in the balance sheet (refer to note 6.1)

Future lease payments

	Minimum future lease payments [a]	
	2026 $	2025 $
Not longer than 1 year	261,281	237,450
Longer than 1 year but not longer than 5 years	43,879	294,334
Longer than 5 years	-	-
Minimum future lease payments	**305,160**	**531,784**
Less future finance charges	(7,176)	(20,648)
Present value of minimum lease payments	**297,984**	**511,136**

Note:
(a) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

6.2.2 Expense recognised for short-term leases and leases of low-value assets

The following amounts are recognised as expense relating to leases of low-value assets:

	2026 $	2025 $
Expenses relating to leases of low-value assets	11,464	12,254
Total amount recognised as expense	**11,464**	**12,254**

LanguageLoop has elected to account for leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

6.3 Cash flow information and balances

Cash comprises cash on hand and cash at bank that are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and are subject to an insignificant risk of changes in value.

	2026 $	2025 $
Total cash disclosed in the balance sheet[a]	11,617,924	10,723,683
Balance as per cash flow statement	11,617,924	10,723,683

Note:
(a) Cash and deposits bear variable interest rate with a weighted-average interest rate of 4.00% during 2025-2026.

6.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.4.1 Total commitments payable

Nominal amounts 2026	Less than 1 year $	1-5 years $	5+ years $	Total $
Other commitments payable	419,638	243,607	-	663,245
Total commitments (inclusive of GST)	**419,638**	**243,607**	**-**	**663,245**
Less GST recoverable				(43,760)
Total commitments (exclusive of GST)				**619,485**

Nominal amounts 2025	Less than 1 year $	1-5 years $	5+ years $	Total $
Other commitments payable	401,301	481,358	-	882,659
Total commitments (inclusive of GST)	**401,301**	**481,358**	**-**	**882,659**
Less GST recoverable				(80,242)
Total commitments (exclusive of GST)				**802,417**

Note 7 Financial instruments, contingencies and valuation judgements

It is often necessary for LanguageLoop to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for LanguageLoop related mainly to fair value determination.

7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of LanguageLoop's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

Categories of financial assets

Financial Assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- The assets are held by LanguageLoop to collect the contractual cash flows, and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interest

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

LanguageLoop recognises the following assets in this category:

- Cash and deposits
- Trade receivables (excluding statutory receivables)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- LanguageLoop retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement
- LanguageLoop has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where LanguageLoop has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of LanguageLoop's continuing involvement in the asset.

Financial liabilities at amortised cost

Financial liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. LanguageLoop recognises the following liabilities in this category:

- Payables (excluding statutory payables)
- Borrowings (including lease liabilities)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Comprehensive Operating Statement.

7.1.1 Financial instruments – Net gain/(loss) on financial instruments by category

2026	Carrying amount	Net gain/ (loss)	Total interest income/ (expense)	Impairment loss
Financial assets at amortised cost				
Cash and deposits	11,617,924	-	502,089	-
Trade Receivables[(a)]	4,105,677	-	-	(24,503)
Total financial assets at amortised cost	**15,723,601**	**-**	**502,089**	**(24,503)**
Financial liabilities at amortised cost				
Payables[(a)]	1,332,725	-	-	-
Borrowings				
Lease Liabilities	297,984		(16,460)	
Total contractual financial liabilities	**1,630,709**	**-**	**(16,460)**	**-**

Note:
(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

2025	Carrying amount	Net gain/ (loss)	Total interest income/ (expense)	Impairment loss
Financial assets at amortised cost				
Cash and deposits	10,723,683	-	448,815	-
Trade Receivables[(a)]	3,381,780	-	-	(21,326)
Total financial assets at amortised cost	**14,105,463**	**-**	**448,815**	**(21,326)**
Financial liabilities at amortised cost				
Payables[(a)]	1,807,356	-	-	-
Borrowings				
Lease Liabilities	511,136	-	(4,901)	-
Total contractual financial liabilities	**2,318,492**	**-**	**(4,901)**	**-**

Note:
(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

7.2 Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities for LanguageLoop at 30 June 2026 or 30 June 2025.

7.3 Fair value determination

This section sets out information on how LanguageLoop determines fair value for financial reporting purposes. Fair value is 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.

Plant and equipment are carried at fair value, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

LanguageLoop determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

LanguageLoop monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

7.3.1 Fair value determination: Non-financial physical assets

Valuation techniques and significant assumptions of non-financial physical assets measured at fair value

For all assets measured at fair value, LanguageLoop considers the current use is the highest and best use.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Description of significant assumptions applied to fair value measurement

2025 and 2026	Valuation technique	Significant assumptions	Range (weighted average)
Furniture and Fittings	Current replacement cost	Useful life	5 years
Office Equipment	Current replacement cost	Useful life	3 years
Leasehold Improvement	Current replacement cost	Useful life	8 years

Significant unobservable inputs have remained unchanged since June 2025.

There were no changes in valuation techniques throughout the period to 30 June 2026.

Note 8 Other disclosures

8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity. There were no payments for the period (FY25: nil).

8.2 Other economic flows included in net result

	2026 $	2025 $
Net loss on financial instrument	(24,503)	(21,326)
Net gain/(loss) on the revaluation of long service leave liability	7,339	(3,597)
Total other economic flows included in net result	**(17,164)**	**(24,923)**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. This includes:

- Net loss on financial instruments: Includes the decrease in provision for doubtful debts and bad debts.

- Net gain on the revaluation of long service leave liability: Includes the gain from the revaluation of the present value of long service leave liability due to changes in the bond interest rate.

8.3 Changes in accounting policy

LanguageLoop has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of right-of-use assets arising from market leases, in accordance with the updated requirements under FRD 104.

Previously, LanguageLoop had measured all right-of-use assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, LanguageLoop will measure all right-of-use assets using the cost model. Right-of-use assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136.

Upon adoption of the cost model, LanguageLoop has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model.

Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

Impacts on financial statements

On transition to the cost model, there was no impact on LanguageLoop's financial statements. No impairment was identified by LanguageLoop for the right-of-use asset held as at 30 June 2026.

8.4 Responsible Persons

In accordance with the Ministerial Directions issued by the Minister of Finance under the *Financial Management Act 1994* , the following disclosures are made regarding responsible persons for the reporting period.

Names

The responsible persons for the reporting period are as follows:

Responsible Minister	The Hon. Ingrid Stitt Minister for Multicultural Affairs	1 July 2025 to 30 June 2026
Governing Board of Directors	Ms. Jenny Mikakos - Chair	1 July 2025 to 30 June 2026
	Mr. Joseph Haweil	1 July 2025 to 2 April 2026
	Ms. Noble Tabe	1 July 2025 to 30 June 2026
	Mr. Raymond Ngo	1 July 2025 to 30 June 2026
	Mr. Kushal Shah	1 July 2025 to 30 June 2026
	Ms. Shara Teo	1 July 2025 to 30 June 2026
	Mr. Eugene Arocca	1 July 2025 to 30 June 2026
	Ms. Thu-Trang Tran	1 July 2025 to 30 June 2026
Accountable Officer	Mr. Emiliano Zucchi	1 July 2025 to 30 June 2026

Salary Band $	Number of Persons 2026	2025
10,000 - 19,999	7	8
20,000 - 29,999	-	2
40,000 - 49,999	1	-
300,000 - 399,999	1	1
Total number	**9**	**11**
Total amount	**552,264**	**522,796**

8.5 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

Several factors affected total remuneration payable to executives over the year. This includes annual salary increases and resignation.

Remuneration of executive officers	Total remuneration	
	2026	2025
Total Remuneration[a]	**1,173,384**	**1,058,182**
Total number of executives	2	2
Total annualised employee equivalents[b]	2	2

Notes:

(a) The total number of executive officers including persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure below.

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.6 Related parties

LanguageLoop is a wholly owned and controlled entity of the State of Victoria.

Related parties of LanguageLoop, include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is disclosed in the State's Annual Financial Report.

Compensation of KMPs	2026	2025
Total Remuneration	552,264	522,796

Transactions and balances with key management personnel (KMP) and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

During the year, the Board Director Joseph Haweil, was a public servant at the Commonwealth Department of Home Affairs. LanguageLoop provided translation services to the Department of Home Affairs to the value of $109,435 under an arm's length agreement.

During the year, the Board Director Eugene Arocca was a Director of Eastern Health under the Department of Health. LanguageLoop provided interpreting services to Eastern Health to the value of $19,800 under an arm's length agreement. Mr. Eugene Arocca was also a Director at HealthShare Victoria, which is currently transitioning into the Department of Health. LanguageLoop provided interpreting and translating services to the value of $3,530,566 under an arm's length agreement.

During the year, the Board Director Kushal Shah was a Director of Bayside Health under the Department of Health. LanguageLoop provided interpreting services to Bayside Health to the value of $31,865 under an arm's length agreement.

During the year, the Board Director Thu-Trang Tran was a Director at Cohealth. LanguageLoop provided interpreting and translation services to Cohealth to the value of $518,243 under an arm's length agreement. Ms. Thu-Trang Tran was also a Director at Good Shepherd Australia New Zealand where LanguageLoop provided interpreting services to the value of $838 under an arm's length agreement. In addition, she was a Director at Telecommunications Industry Ombudsman where LanguageLoop provided translation services to the value of $285 under an arm's length agreement.

During the year, the Chief Executive Officer Emiliano Zucchi was a Director at Australasian Association of Language Companies. LanguageLoop paid membership fees to Australasian Association of Language Companies to the value of $720 under an arm's length agreement.

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that LanguageLoop's financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

Significant transaction with government-related entities

LanguageLoop provided interpreting and translation services to Victorian Government Departments and Agencies which represent over 50% of our total revenue. All transactions with Victorian Government Departments and Agencies were made on normal commercial terms and conditions.

8.7 Remuneration of auditors

	2026 $	2025 $
Victorian Auditor-General's Office		
Audit of the financial statements	39,400	37,500

8.8 Subsequent events

Subsequent to the reporting date, LanguageLoop transferred from a Government Business Enterprise (GBE) to a State body with effect from 1st July 2026.

Further, on 27th July 2026, LanguageLoop commenced implementation of a transition from a contractor workforce model to an employee workforce model. Under the employee workforce model, staff are employed under the State Government Agencies Administration Award 2020 (MA000121).

The financial impact of these changes is being assessed and will be reflected in future reporting periods. No events have occurred after the reporting date that require adjustment to the financial statements. However, given the significance of these matters, disclosure has been made as they may be of interest to users of the financial statements.

ACKNOWLEDGEMENT OF COUNTRY

Showing respect to the First Nation custodians of the land we live and work on is important, and one way to do that is through an Acknowledgement of Country.

VITS LanguageLoop has made this acknowledgement accessible to all Australians by translating it into 50 of Victoria's most commonly spoken languages. This is a powerful way to connect everyone to the rich history of our shared country. Check out our website for a selection of those languages.

English

In the spirit of reconciliation, VITS LanguageLoop acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Vietnamese

Trong tinh thần hoà giải [ORGANISATION] ghi nhận những Người gìn giữ truyền thống đất nước trên khắp nước Úc và các mối liên hệ của họ với đất liền, đại dương và cộng đồng. Chúng tôi xin bày tỏ lòng tôn kính tới các bậc trưởng lão trong quá khứ, hiện tại và gửi sự kính trọng đó đến tất cả các dân tộc Thổ dân và dân Đảo Torres Strait ngày hôm nay.

Punjabi

ਮੁੜ-ਸੁਲਹਾ ਦੀ ਭਾਵਨਾ ਵਵਵਿੱਚ [ORGANISATION] ਸਾਰੇ ਆਸਟ੍ਰੇਲ੍ਹੀਆ ਵਵਵਿੱਚ ਦੇਸ਼ ਦੇ ਰਵਾਇਤੀ ਰਖਵਾਵਲ੍ਹਆਂ ਅਤੇ ਉਹਨਾਂ ਦੇ ਜ਼ਮੀਨ, ਸਮੁੰਦਰ ਅਤੇ ਭਾਈਚਾਰੇ ਨਾਲ੍ ਸਬ ੁਧਾਂ ਨ ੀ ਸਵੀਕਾਰ ਕਰਦਾ/ਕਰਦੀ ਹੈ। ਅਸੀਂ ਉਹਨਾਂ ਦੇ ਅਤੀਤ ਅਤੇ ਵਰਤਮਾਨ ਬਜ਼ੁਰਗਾਂ ਦੇ ਪ੍ਰਤੀ ਆਪ੍ਣਾ ਆਦਰ ਪ੍ੀਸ਼ ਕਰਦੇ ਹਾਂ, ਅਤੇ ਵਅੱਜ ਨਾਲ੍ ਹੀ ਸਾਰੇ ਆਵਦਵਾਸੀ ਅਤੇ ਟ੍ੀ ਰੈਸ ਸਟ੍ਰੇਟ੍ ਆਈਲ੍ੀਂਡਰ ਲ੍ੀ ਕਾਂ ਦਾ ਆਦਰ ਕਰਦੇ ਹਾਂ।

Mandarin

本着和解的精神，[ORGANISATION] 承认全澳大利亚的国土传统守护者，承认他们与这片土地、海洋和社区的联系。我们向他们过去和现在的长老们致敬，并向今天的全体原住民和托雷斯海峡岛民表示敬意。

Arabic

انطلاقا ORGANISATION [بالأوصياء التقليديين للبلد في جميع أنحاء أستراليا وعلاقتهم بالأرض ً من روح المصالحة تعترف منظمة] ً والبحر والمجتمع. نحن نقدم احترامنا لزعمائهم السابقين ً والحاضرين ونوجه هذا الاحترام لجميع الشعوب الأصليين وسكان جزر مضيق توريس اليوم.

Tamil

நல்லிணக்கத்தின் தாத்பரியத்ததப் பபணும் பநாக்கில், [ORGANISATION] ஆஸ்திபரலிய நாடதனத்தும் உள்ள பழங்குடியினர்கதளயும், அவர்களுக்கும் நிலம், நீர், சமூகம் ஆகியவற்றுக்கும் உள்ள ததாடர்தபயும் அங்கீகரிக்கின்றது. நாம், அவர்களது, பநற்தறய இன்தறய மூத்பதார்களுக்கு எமது மரியாதததயச் தசலுத்துவதுடன் இன்தறய சகல .பழங்குடியினருக்கும், படாரஸ் ஸ்தரயிட் தீவினருக்கும் எம் மரியாததத நீட்டிக்கிபறாம்

Assyrian

ܡܠܬ ܕ ܪܕܝܢܐ ܪܝܕܠܦ ܪܝܐܠܬ ܡܠ ܪܒܢܐܒ [ORGANISATION] ܪܫܦܢܟܦ ܪܫܢܦ ܪܫܦܫܦܢ ܕ ܪܡܒܝ ,ܡܒܢܐܒ ܫܡ ܪ ܟܒܦ ܫܦ ܪܟܦܢܒ ܫܡ .ܪܫܬܦܒ ܪ ,ܪܢܢ ,ܡܢܦܫܦ ܪܢܢܦ ܪ ܟܒܦ ܫܦ ܪܒܦܢܒ ܫ ,ܪ ܟܒܦ ܫܦ ܪܒܦܢܒ ܫ ,ܪ ܟܒܦ ܫܦ ܪܒܦܢܒ ܫ .ܫܢܐ ܪ



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