Annual Report



For the year ended **30 June 2026**

Lutheran Laypeople's League of Australia Limited
ABN 25 044 678 441 - ACN 627 336 707
Registered Office: 175 Archer Street, North Adelaide, SA 5006
Phone: 1800 556 457



Our vision

Advancing Christian mission and ministry as Australia's leading charitable financial service provider.

Our purpose

To meet the business and finance needs of Christian communities and support the Lutheran Church of Australia and New Zealand.

Cover page: Over 600 people took part in the LLL-sponsored Australian Lutheran World Service (ALWS) 2026 Walk My Way Brisbane event to raise funds to support at-risk refugee girls to stay in school.

Above: Students at Lutheran Ormeau Rivers District School (LORDS) take a tour of the Multipurpose Centre being built with the support of an LLL loan.



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In this Annual Report a reference to the Lutheran Laypeople League of Australia, LLL and LLL Australia is a reference to the Lutheran Laypeople's League of Australia Limited ABN 25 044 678 441.

A reference to the Lutheran Church of Australia, the LCA and the 'Church' is a reference to the Lutheran Church of Australia Incorporated and its related entities.

Key Achievements



New CEO installed

LLL's previous CEO Ross Smith resigned in August 2025 to return to Sydney to live and work to support his family. Karen Pienaar took a leave of absence from the LLL Board to act as interim CEO while a national recruitment search was undertaken. Karen was successfully appointed to the role on a permanent basis in November.



Missional funding

LLL provided over $122m in funding for missional loans; designed to support organisations that commit to a great purpose of community transformation. Providing more than just finance we worked in partnership with many of these organisations to enable them to refurbish churches, build schools, redevelop aged care facilities and provide for future generations.



Charitable Donation Program

The newly launched LLL Charitable Donation Program connects people who want to support Christian ministry and community initiatives with organisations faithfully seeking sustainable funding. It's a practical way for our customers to use their investments to support Christian ministry, mission and community outreach.



A significant lending milestone

LLL finalised its first loan to an organisation outside the Lutheran Church during this financial year. CRU (The Crusader Union of Australia) is a Bible-based, interdenominational Christian organisation whose mission is to help Australian children and young people know and follow Jesus. This funding aligns with LLL's Business Plan and future growth strategy.



Investing in ministry

For over 40 years LLL has invested in the ministry of congregations around Australia by providing General Ministry Pastors with a Private Communion Set upon their ordination, with Specific Ministry Pastors now also awarded this same gift to further invest in the ministry of the wider Lutheran Church.



Grants and Sponsorships

In addition to LLL's annual distribution directly to the LCANZ, we also continue to support the wider Church community through our grants and sponsorships. Across the 2025-26 financial year, LLL funded $4.1m in grants and just over $400,000 in sponsorships.



Thriving Platinum Partnerships

Our Platinum Partnerships with Lutheran Youth of Queensland (LYQ) and Australian Lutheran World Service (ALWS) continue to flourish. Signed in 2024, these five-year partnerships support LYQ and ALWS as they continue their vital work in pursuit of our shared missional goals.



Spreading the Word of God

Lutheran Tract Mission (LTM) is an outreach ministry of LLL. LTM shares God's love, grace and forgiveness with all people through a range of Christian tracts including leaflets, text cards, bookmarks and postcards. During the 2025-26 financial year, 293,780 tracts were distributed by LTM.

More about these achievements can be found in the Chair and CEO message in this Annual Report.
You can also explore inspiring stories and learn more about the impactful missional projects we support.
We invite you to engage with our annual *Together in Mission* publication and stay informed through our regularly updated *Mission Matters* news page.
Both are available online at lll.org.au/tim and lll.org.au/mm

Performance at a glance

Support given to the LCANZ

Support from you to LLL

New loans approved



Schools and Kindergartens = $82.3 million
Congregations = $5.7 million
Aged Care = $6.0 million
Other Christian organisations = $26.2 million
Total = $120.2 million

Board grants and distributions



$3.4 million*

LLL loan rate



Secured **4.85%** p.a.#

Unsecured **5.35%** p.a.#

LLL Permanent Fund Grants



$582,556

LLL Mission Outreach Grants



$121,550 congregational-inspired projects

LLL Bursary Grants



$135,000 – 2026 school year

LLL Camping Ministry Grants



$94,000

LLL deposits



$647 million

Total legacies



$519,640 from 4 Estates

Donations



$41,135

Net Promoter Score (NPS) | 2025

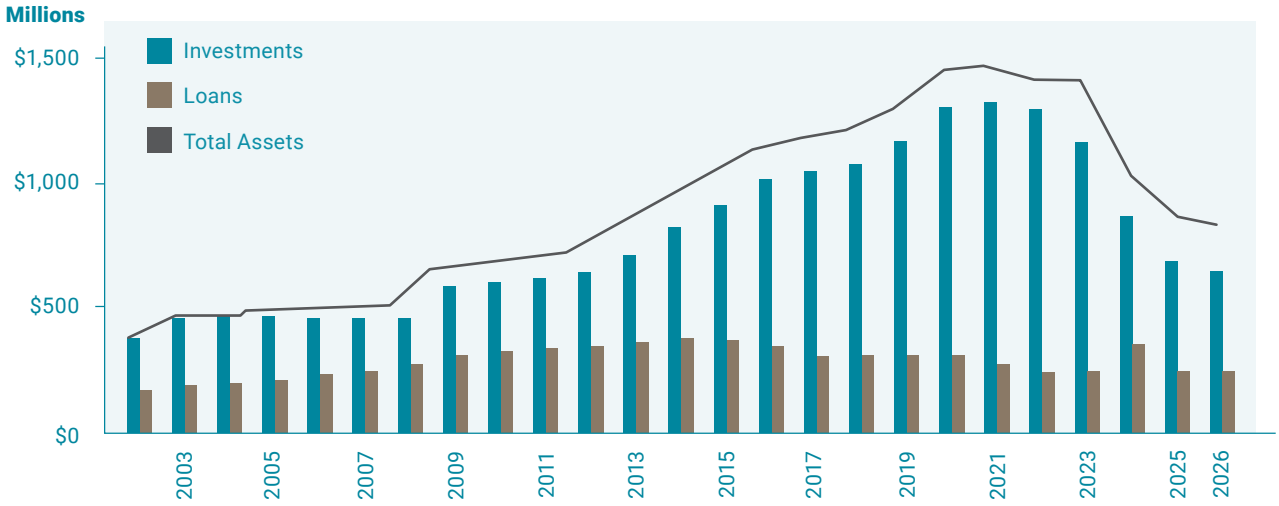
Individuals	Businesses
0	17

Net Repeater Score (NRS) | 2025

Individuals	Businesses
22	32

Results indicate a strong recovery in individual customer satisfaction, with confidence rising 29 points year-on-year from 2024. In addition, business customers were surveyed for the first time, generating a positive NPS score of 17, which provides a strong baseline for future measurements. Customers across both retail and business segments also demonstrated strong confidence in LLL, with Net Repeat Scores (NRS) of 22 and 32 respectively, measuring their likelihood of making the same investment decision again. These results indicate a high level of trust in LLL and satisfaction with the overall investment experience.

Investments, loans & total assets



Total equity

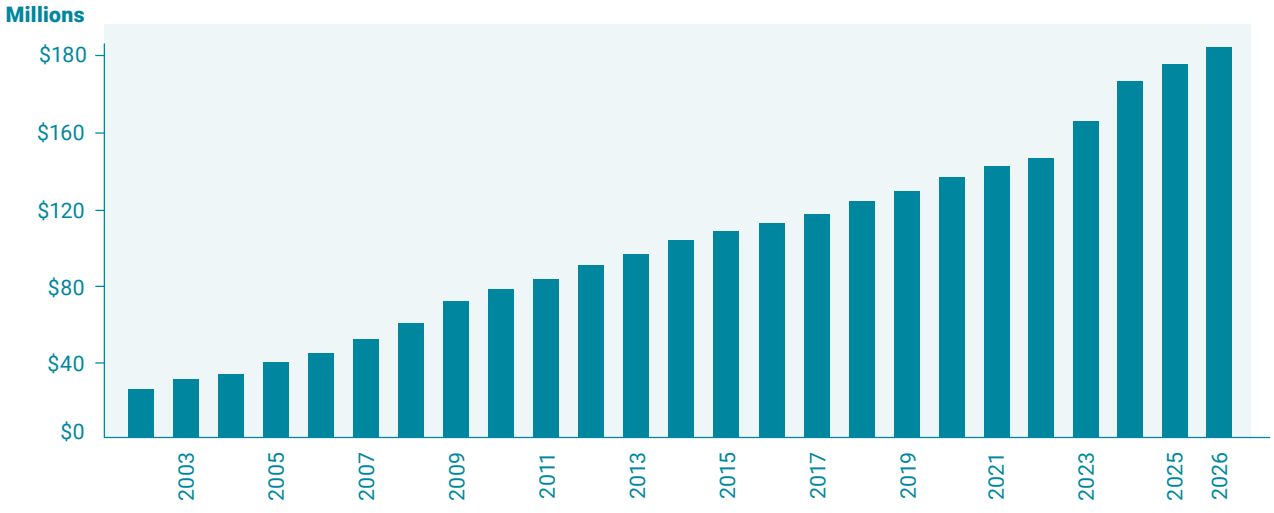


*Figure includes LLL Permanent Fund, Mission Outreach, Camping Ministry and Bursary. # As at 30 June 2026.

Your Board of Directors



Steven Podlich
Chair



David Kalisch
Vice-Chair



Deepa Justus
(resigned September 2025)



Andrew Leithhead



Cathy Oster
(Appointed January 2025)



Nicolle Rantanen Reynolds



Geoffrey Thiel



Raewyn Williams
(Appointed January 2025)

Directors' Information

Particulars of each Director's skills, experience, expertise and responsibilities can be viewed at lll.org.au/about/our-people

The names of the persons who have been Directors during the period since 1 July 2025 and up to the date of this report are: Karen Pienaar (leave of absence 31 July 2025, resigned 5 November 2025), Steven Podlich, Geoffrey Thiel, David Kalisch, Deepa Justus (resigned 30 September 2025), Andrew Leithhead, Nicolle Rantanen Reynolds, Cathy Oster and Raewyn Williams.

Your Executive Committee



Karen Pienaar
(Installed as CEO
5 November 2025)



Chris Deery
Chief Operating Officer



Briony Mitchell
Chief Risk Officer
(resigned 23 December 2025)



Scott Ross
Chief Relationship Officer



Tania Sargent
Chief Financial Officer/
Company Secretary



Lori Scardigno
Chief People Officer

Particulars of each Director's and Executive Committee member's skills, experience, expertise and responsibilities can be viewed at lll.org.au/about/our-people

Chair & CEO Message

We are humbled by the ongoing support of our mission-hearted customers, who entrust LLL to safeguard their financial interests while advancing Christian mission and ministry.

The 2025/26 financial year was one of consolidation and growth; an exciting combination of securing LLL's enduring legacy while focusing on our bright future.

Entering our first full financial year as a Religious Charitable Development Fund (RCDF) after the transition from an Authorised Deposit-taking Institution (ADI) provided an ideal opportunity to reflect, review, and plan.

Under the leadership of new CEO Karen Pienaar, we have renewed our focus on supporting communities of grace, those communities that form and sustain the Lutheran Church. We are looking outward, lifting our eyes, seeing new challenges and fresh opportunities, and look forward to the next season of LLL with great optimism.

Our commitment to supporting the Lutheran Church of Australia and New Zealand (LCANZ) remains at the heart of LLL, as it has since 1921.

As we embark on the next chapter of our story, we would like to express our deep gratitude to our loyal community and extend an invitation to continue to walk with your LLL as we serve our shared missional purpose of supporting the Lutheran Church.

Thank you.

Enduring legacy, future focus

A detailed analysis of the needs of our customers, and key Church stakeholders, both now and in the future, resulted in the creation and adoption of the *LLL Business Plan 2027: Enduring Legacy, Future Focus*.

The plan outlines the strategic direction, priorities, and initiatives that will guide our organisation over the next planning period and allow growth over the strategic period of three to five years. It reflects our commitment to strengthening financial sustainability, deepening relationships with customers and partners, and expanding our missional impact across Lutheran and Christian communities in Australia.

The plan builds on LLL's long and exemplary history of stewardship, service, and purpose-driven financial management. It translates our strategic objectives into clear initiatives that position LLL for long-term relevance, resilience, and growth.

Each initiative demonstrates how we will continue to serve our customers, support thriving communities, and deliver on our mission in a changing environment.

Across the four strategic objectives - **Financial Strength**, **Grow Customers**, **Support Communities to Thrive**, and **Deliver Mission and Ministry** - we have outlined the work required to modernise our organisation, diversify revenue, enhance customer


1



experience, and deepen our connection to the LCANZ and the broader Christian ecosystem.

The creation of a key artefact - *LLL Strategy on a Page* – was critical to the formulation of this plan and can be viewed on Pages 12-13.

Financial performance

In the financial year ended 30 June 2026 we generated a net surplus before grants to the LCANZ of $10.8m (2025: $3.6m) and paid total grants to the LCANZ of $4.1m (2025: $1.4m). Total assets were $836m with equity of $181m.

The $4.1m in grants paid during 2026 includes $1.7m relating to FY25 and $2.4m relating to FY26.

This strong performance reflects the support we receive from our customers, the relationships we have built with them, and the stewardship responsibility we carry for the assets entrusted to us over generations. We invest wisely and lend with grace. Our financial strength, reinforced by a strong surplus, enables us to increase grants and distributions that support the wider Lutheran Church and its mission.

Interest rates

Historically, we have sought to pay our mission-minded investors at competitive market rates on their investments - from September '25 to May '26, the interest rate payable on LLL's 12 month Term Investment product increased by 1.35%. We do this while intentionally setting interest rates for our borrowers at rates that support their missional work and strategic objectives.

Appointment

In May '26, Darren Pope was appointed to the role of Head of Mission Engagement. This new position was created to strengthen LLL's connection to our mission by actively engaging with Lutheran and broader Christian communities.

This was an important step following our transition, strengthening LLL's connection with congregations and communities across the Church. By being present, listening carefully and learning from our Lutheran community, we can better understand their needs, deepen our relationships, and ensure our work continues to support the mission and ministry of the Lutheran Church in practical and meaningful ways.



1. *LCANZ Bishop Paul Smith with Karen at her LLL CEO installation service.* ***2.*** *LCANZ Bishop Paul Smith greets LLL Chair Steven Podlich at the official opening of Church House.*

Chair & CEO Message

New ways to give

LLL has developed new ways in which Christian communities can give and receive funds with the Charitable Donation Program (CDP) and the LLL Donations Platform. The CDP connects people who want to support Christian ministry and community initiatives with organisations faithfully seeking sustainable funding. As at 30 June the total charitable facility investment was $331k (Refer Note 16).

The LLL Donations Platform will provide participating organisations and churches a new digital method for receiving regular or campaign-based donations; the platform provides reliable service, strong governance, alignment with missioncentred values, and reduced merchant fees.

We express our deepest gratitude to God for your active contribution and partnership. The Board of LLL and all our staff are blessed to serve alongside our Church and our supporters.

*"I thank my God every time I remember you. In all my prayers for all of you, I always pray with joy because of your partnership in the gospel from the first day until now." – Philippians 1: 3–5 (NIV)**

In Christ,

Steven Podlich
Chair

Karen Pienaar
CEO



1. *LLL CEO Karen Pienaar welcomes Head of Mission Engagement Darren Pope.*

** Scripture quotation taken from The Holy Bible, New International Version® (NIV®). Copyright © 1973, 1978, 1984, 2011 by Biblica, Inc.® Used by permission. All rights reserved worldwide.*

Who we are

Our Core Values

Partner in faith

We work together in partnership to achieve our missional purpose and further the spread of the Gospel.

In all my prayers for all of you, I always pray with joy because of your partnership in the Gospel from the first day until now, being confident of this, that he who began a good work in you will carry on to completion until the day of Christ Jesus - Philippians 1:4-6 (NIV)

Respect

We value and respect all people, ensuring everyone is treated equally and their voices are heard.

Live as those who are free to do only God's will at all times. Show respect for everyone - 1 Peter 2:16 (TLB)

Strive for excellence

To deliver on our purpose, we are always seeking new and better ways to do things.

Whatever is true, whatever is noble, whatever is right, whatever is pure, whatever is lovely, whatever is admirable - if anything is excellent or praiseworthy - think about such things - Philippians 4:8 (NIV)

Care

We are an inclusive community who look out for each other and act in love through Christ's example.

And what does the Lord require of you? To act justly and to love mercy and to walk humbly with your God - Micah 6-8 (NIV)

Relationship centric

We seek to build strong, meaningful and trusted relationships with each other, our customers and stakeholders.

Do nothing out of selfish ambition or vain conceit. Rather, in humility value others above yourselves, not yourselves, not looking to your own interests but each of you to the interests of others. In your relationships with one another, have the same mindset as Christ Jesus - Philippians 2:3-5 (NIV)

LLL Strategy on a Page

Underpinning each of the four strategic objectives - **Financial Strength**, **Grow Customers**, **Support Communities to Thrive**, and **Deliver Mission and Ministry** - are detailed strategic initiatives, that include timelines, the personnel involved to complete them, timelines and what success looks like.



Working towards achieving our strategic objectives, we will modernise our organisation, diversify revenue, enhance customer experience, and deepen our connection to the Lutheran Church of Australia and New Zealand and the broader Christian ecosystem.



Who you support

Platinum Partnerships

Our long-standing relationships with Lutheran Youth of Queensland (LYQ) and Australian Lutheran World Service (ALWS) were strengthened with Platinum Partnership agreements in 2024. These five-year partnerships continue to support LYQ and ALWS as they undertake their vital work in pursuit of our shared missional goals.

Grow connected, hope-filled people

Our strategic collaboration with LYQ aims to magnify our collective impact for the benefit of young people as they continue on their spiritual journeys. Both LLL and LYQ hold a deep-seated belief in the inherent worth and unique potential of every individual.

LYQ's mission centres on nurturing and guiding young lives towards their full potential through rich experiential learning, intentional support and engagement with the Christian faith through fun-filled camps and events, leadership experiences, school partnerships and young adult ministry.

LLL also has a proud history of supporting key annual fundraising event the LYQ Appeal Dinner and has also sponsored the LYQ LIFT Conference over the past two years.

The conference brings together young people from Queensland Lutheran schools and congregations to explore leadership grounded in faith, service and compassion. In partnership with Australian Lutheran World Service (ALWS) students were challenged to think beyond themselves, deepen their faith, and discover how local action can create global impact.

Senior Marketing Manager Rhianan was delighted to represent LLL at the uplifting one-day event held at Queensland's Griffith University.

"It was a privilege to attend the conference," Rhianan said.

"What stood out most was the passion, openness and genuine desire these students have to make a difference. Their energy, compassion and willingness to look beyond themselves was truly inspiring. They left with renewed purpose and a desire to make a difference, and I am excited to see how God works through them as the next generation of leaders."


1

Walking in partnership with ALWS

As Platinum Partner of ALWS, our Lutheran Church's overseas aid agency, LLL provides crucial support for ALWS Walk My Way fundraising events, training for teachers in Lutheran schools at ALWS Ambassador Boot Camps, and direct support for ALWS projects in countries like Somalia, Ethiopia, Nepal and Kenya.

LLL proudly supported the 2026 cornerstone Walk My Way event in Brisbane as major sponsor, including matching donations made on the day up to $5,000 to help double the impact for refugee girls at risk.

Funds raised went to ALWS' PRECIOUS campaign that helps protect refugee girls in Kenya and Somalia from the dangers of child marriage by supporting them to stay in school.

"We were proud to support this very special occasion," LLL Chief Relationship Officer Scott Ross said.

"It was a privilege and an honour to be able to double the impact of donations made on the day and support ALWS to protect as many girls from child marriage as possible."

Around 650 walkers, including LLL staff, took part in the inspiring event that raised over $110,000 to support over 1,100 at-risk girls to stay in school.

"I'd like to sincerely thank LLL Australia for their generous support of ALWS and events like Brisbane Walk My Way as our Platinum Partner," said ALWS Executive Director Michael Stolz.

"Their commitment to the mission of our Church is inspiring."









1. *Plenty of fun was had at Lutheran Youth of Queensland (LYQ) winter camps.* ***2.*** *Attendees at the LYQ LIFT Conference.* ***3.*** *From left to right - LLL Head of Mission Engagement Darren Pope, LCA Queensland District Bishop Mark Vainikka, LLL Chief Relationship Officer Scott Ross, ALWS Community Action Manager Jonathan Krause at Walk My Way - Brisbane.* ***4&5.*** *Walkers at Walk My Way - Brisbane.*

Who you are



Western Australia

No. RCDF Inv.	**214**
Bal $ RCDF Inv.	**6,226,004**
Total Loans $	**10,529,111**

Northern Territory
South Australia

No. RCDF Inv.	**5,534**
Bal $ RCDF Inv.	**325,917,584**
Total Loans $	**197,561,082**

Australia Total

No. RCDF Inv.	**9,067**
Bal $ RCDF Inv.	**646,358,075**
No. Borrowers	**78**
Total Loans $	**438,162,466**

Overseas

No. RCDF Inv.	**39**
Bal $ RCDF Inv.	**813,317**
No. Borrowers	**-**
Total Loans $	**-**

Overall Total

No. RCDF Inv.	**9,106**
Bal $ RCDF Inv.	**647,171,392**
No. Borrowers	**78**
Total Loans $	**438,162,466**



Queensland

No. RCDF Inv.	**1,599**
Bal $ RCDF Inv.	**197,117,386**
Total Loans $	**84,496,287**

New South Wales

No. RCDF Inv.	**546**
Bal $ RCDF Inv.	**46,620,725**
Total Loans $	**18,618,273**

Victoria/Tasmania

No. RCDF Inv.	**1,174**
Bal $ RCDF Inv.	**70,476,376**
Total Loans $	**126,957,713**

Your impact

Mission in action

During the past financial year, LLL provided $3.4m in missional financial grants throughout the LCANZ at a congregation, school, district and churchwide level. This includes more than $583k in Permanent Fund allocations to local and international mission projects. The following are just some of the ways those grants supported the Church.



$94,000 Camping Ministry Grants

The LLL Board's commitment to youth ministry continued with $94,000 in grants awarded across the five Church districts in the reporting period. These grants aim to give young people the opportunity to attend Christian camps for the first time and to financially assist returning patrons, allowing more young people to connect with each other in fellowship and rejoice in the Word of God. This commitment has been extended to 2028 to support the spiritual journey of our young people around Australia.

$121,550 Mission Outreach Grants

The LLL Board resolved to increase Mission Outreach Grant (MOG) funding available for application from $125k to $175k annually from 2026-2028 to support the vital work of congregations.

We have been honoured to watch inspiring projects come to fruition around Australia during this period with six grants awarded totalling $121,550:

- $35,250 Defibrillator Program – SA-NT District
- $3,800 Cross-Cultural Ministry Development project – Holy Trinity Lutheran Church, SA
- $25,000 Spiritual Support Officer – Trinity Lutheran Church, Cairns Qld
- $7,500 Live Worship Album – Handmade Collective, North Adelaide, SA
- $25,000 Diverse By Design – St Andrews Lutheran Church, Brisbane Qld
- $25,000 Digital Signage – Redeemer Lutheran Church, Narraweena NSW

Visit LLL's *Mission Matters* website information hub – lll.org.au/mm – and read our *Together in Mission* publication - lll.org.au/tim - for more details and progress reports as these grants come to fruition.


2

$135,000 School Bursary Grants

LLL School Bursary Grants continue to assist students in gaining a Lutheran education; students who otherwise would have been precluded due to financial hardship. These bursaries allow Lutheran schools across Australia to financially assist students in gaining an education that brings the Word of God to life. LLL has committed $1m to schools over seven years. The first grants were awarded in 2021.


3


4

Over $400,000 in Sponsorships

LLL proudly sponsored a range of missionally-aligned events, organisations, and initiatives to a total value exceeding $400,000, including:

- District Synods and Pastors' Conferences
- Australian Lutheran World Service (ALWS)
- Lutheran Youth Queensland (LYQ)
- Blueprint appeal dinner
- Lutheran Principals Australia
- Lutheran Aged Care and Community Services
- LCAQD Synod Art Competition
- Lutheran Disability Services
- School TV
- Lutheran school fetes
- Australian National Prayer Breakfast

Visit LLL's *Mission Matters* website information hub – lll.org.au/mm – and read our *Together in Mission* publication - lll.org.au/tim - for more details and progress reports as these grants come to fruition.

1. *Attendees at a Lutheran Youth of Queensland holiday camp.* ***2.*** *Scott Ross presents a Mission Outreach Grant to Daniel Kitson from Handmade Collective, SA.* ***3.*** *LLL Bursaries continue to support families facing financial hardship, enabling children to attend Lutheran schools.* ***4.*** *Participants at the 2026 ALWS Walk My Way Brisbane event.*

Directors' Report

Directors and Directors' Meetings

The Board of the LLL met 10 times during the year ended 30 June 2026. Each Director is normally a member of at least one Board Committee. In addition, Directors attended a Board Strategy session during the year. The table below includes:

- Names of Directors holding office at any time, or since the end of, the financial year; and
- The number of scheduled meetings held during the financial year for which each Director was a member of the Board or relevant Board Committee and eligible to attend, and the number of meetings attended by each Director.

	Board		Governance and Remuneration Committee		Board Audit Committee		Board Risk Committee		Board Credit Approval Committee	
Director	**H**	**A**	**H**	**A**	**H**	**A**	**H**	**A**	**H**	**A**
Steven Podlich	10	10	5	5			9	9	1	1
Geoffrey Thiel	10	8	4	3	6	6				
Deepa Justus	2	2			2	2	2	2		
David Kalisch	10	9	5	5						
Andrew Leithhead	10	9	1	1			9	9	1	1
Karen Pienaar	3	0	2	0	3	0				
Nicolle Rantanen-Reynolds	10	9			6	6	9	9		
Cathy Oster	10	10	4	3	4	4				
Raewyn Williams	10	10			4	4	7	7	1	1

(A) Number of meetings attended during the period
(H) Number of meetings held during the period the member was a Director

Karen Piennar took a leave of absence from the Board of Directors from 1 August 2025 – 5 November 2025 when she was the interim CEO. Following confirmation of her appointment as CEO on the 5 November 2025, she formally resigned as a director. During the period that she held the interim CEO role, Karen's absence from Board and Board Committee meetings has been noted in the summary table above.

Principal activities

The principal objects of LLL during the year were to advance the work of the Lutheran Church of Australia and New Zealand (LCANZ) through the provision of financial services and benefits. This is achieved by operating as a charitable financial institution in Australia.

As a charitable financial institution, LLL receives investments from members and supporters of the LCANZ and uses those funds to provide ministry support to the Church. This support includes the provision of charitable loans to the LCANZ and constituent entities together with the provision of direct economic benefits from generated returns. Those operations are consistent with LLL's 100-year history.

This was the first full reporting period that LLL operated as an RCDF. As LLL no longer operates under certain conditions previously imposed by APRA, this reporting period saw the first completed loan to a non-LCANZ Church Body.

Strategic priorities

During the year LLL reviewed its Vision, Purpose and Strategic Pillars.

LLL's Vision is advancing Christian mission and ministry as Australia's leading charitable financial service provider.

LLL's Purpose is to meet the business and finance needs of Christian communities and to support the LCANZ.

There have been no significant changes in the state of affairs of LLL during the financial year other than those referred to in the Chair's and CEO's Report and the Financial Statements.

Financial performance disclosures

Result and review of operations

LLL recorded a surplus for the year from operations before Grants and Distributions to the LCANZ of $10,772,810, which also includes legacies and donations of $560,775. (Surplus from operation excluding legacies and donations $10,212,035).

Following is the breakdown of grants and distributions made to the LCANZ during the last 12 months:

Recipient	$
Board Allocations	582,556
Benefits to Lutheran schools	135,000
Other grants to the LCA	3,244,804
Total	**$3,962,360**

As a % of the surplus from operations	
FY26: Grants and Distributions	36.8%
FY25: Grants and Distributions	39.9%

Included in the total Distributions and Grants for FY26 paid to the LCANZ is an amount of $1.7m that relates to FY25 but was only paid in October 2025.

Directors' Report

Financial performance disclosures

LLL makes grants and distributions as considered appropriate in accordance with its mandate and ministry. LLL does this while ensuring that Reserves are preserved at appropriate levels to prudently protect the interests of depositors and investors and to honour the intentions of gifted and bequeathed special funds. Accordingly, LLL seeks to add to Reserves commensurately with increases in Depositors' funds and gifted moneys.

During the year ended 30 June 2026 transfers to reserves were made in accordance with the policy settings of LLL, activity and prudential requirements.

The ability of LLL to generate a surplus was largely determined by interest rates that applied to its customer investment and lending activities., At the start of the financial year ending 30 June 2026, the RBA decreased the official cash rate in August 2025, with this representing the third decrease in the cash rate for the 2025 calendar year. With inflation starting to rise, the RBA adopted a more restrictive monetary policy that resulted in the official cash rate being increased in February, March and May 2026. LLL largely followed the various changes to the official cash rate via changes to the rates paid on Instant Access, Notice of Withdrawal and Term Investment facilities as well as the rates charged to lending customers.

Legacies and donations

LLL is grateful for the benevolence of persons who make a permanent financial contribution to LLL via donations and bequests. In the year ended 30 June 2026, LLL received legacies of $519,640 and donations of $41,135. These moneys are recorded as income in accordance with accounting standards and are then permanently honoured by transferring them to Legacies, Donations and Special Purpose Fund Reserves in accordance with LLL policy.

Legacies and donations have been received over the last 12 months by the following donors:

Donor
Noske, J M
Collyer, E L
Roesler, N L
Hausler, C
Fielke, D

Financial performance disclosures

Key performance measures

LLL measures its performance through the use of quantitative and qualitative measures and key performance metrics. These metrics are used by the Directors among other considerations to assess whether the Company's short-term and long-term objectives are being achieved.

	2025/26	2024/25
	$	$
Financial benefits metrics		
LCANZ grants and distributions	3,962,360	1,430,097
Total assets	835,819,450	873,685,735
Growth in total assets	-4.3%	-16.8%
Total equity	180,939,642	175,676,719
Growth in equity	3.0%	1.3%
Customer metrics		
Loan book balance (before ECL)	245,181,782	244,752,496
Growth in loan look balance	0.2%	-6.5%
Payables – Interest bearing	647,171,392	690,670,785
Growth in Payables – Interest bearing	-6.3%	-20.3%
Non-Financial metrics		
Critical Systems uptime	99.99%	99.99%
Staff satisfaction**	93%	NA
Net Promoter Score Individuals*	0	-29
Net Promoter Score Businesses*	17	NA

* Net Promoter Score (NPS) is a widely used market research metric that typically takes the form of a single survey question asking respondents to rate the likelihood that they would recommend a company, product, or service to a friend or colleague. NPS scores are reported with a number from the range of -100 to +100; a higher score is desirable. Prior to FY 26 the NPS is not split out between individual and business customers.

** The last time the staff satisfaction survey was conducted prior to FY26 is in FY 23.

Environmental Regulations

The LLL's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. Directors also believe that LLL has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those requirements as they apply to LLL.

Subsequent events

In the opinion of the Directors, since the end of the financial year to date of this report, there are no matters or circumstances that have arisen that significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Indemnification and Insurance of Directors and Officers

During the period, LLL paid a premium in relation to a Directors and Officer's liability insurance policy, indemnifying the Directors and its Executives against certain liabilities to the extent permitted by the *Corporations Act 2001*. The Directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contract, as such disclosure is prohibited under the terms of the contract.

Directors' Report

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 27.

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-C SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF LUTHERAN LAYPEOPLE'S LEAGUE OF AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2026 there have been no contraventions of:

(a) the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012; and

(b) any applicable code of professional conduct in relation to the audit.

Nexia Edwards Marshall
Chartered Accountants

Jamie Dreckow
Partner

Adelaide
South Australia

17 September 2026

Advisory. Tax. Audit.

Nexia Edwards Marshall (ABN 38 238 591 759) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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Statement of Income and Expenditure and Other Comprehensive Income for the year ended 30 June 2026

	Note	2026	2025
		$	$
Gross interest income	6	41,986,474	44,764,363
Gross interest expense	6	(19,401,775)	(25,490,211)
Net interest income		**22,584,699**	**19,274,152**
Legacies		519,640	826,472
Donations		41,135	46,722
Other income	7	2,090,278	370,816
Impairment release on loans and investments	18	80,000	74,000
Operating income before operating expenses and grants and donations		**25,315,752**	**20,592,162**
Employee benefit expenses	8	(7,137,579)	(7,210,832)
Other expenses	9	(6,979,308)	(9,269,490)
Other benefits and services	10	(426,055)	(469,847)
Net surplus before grants and distributions		**10,772,810**	**3,581,022**
Grants and distributions	11	(3,962,360)	(1,430,097)
Net surplus after grants and distributions		**6,810,450**	**2,211,896**
Other comprehensive income			
Items that will not be reclassified subsequently to income and expenditure			
Revaluation of land and buildings	21	2,447,250	-
Items that may be reclassified subsequently to income and expenditure			
Gain / (loss) on revaluation of debt instruments at fair value through other comprehensive income reserve	5(c)	(3,994,777)	-
Total other comprehensive income		**(1,547,527)**	-
Total comprehensive income for the year		**5,262,923**	**2,211,896**

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2026

	Note	2026	2025
		$	$
Assets			
Cash and cash equivalents	12	42,196,393	106,987,053
Investments	13	532,224,856	508,836,600
Trade and other receivables	14	583,585	530,082
Other assets	22	3,935,879	3,862,049
Loans receivable	15	245,036,782	244,581,496
Property and equipment	21	10,943,330	8,478,382
Intangible assets	25	898,625	410,073
Total assets		**835,819,450**	**873,685,735**
Liabilities			
Payables – interest bearing	16	647,171,392	690,670,785
Trade and other payables	17	3,255,395	1,882,208
Other liabilities	23	3,664,546	4,742,588
Provisions	24	788,475	713,435
Total liabilities		**654,879,808**	**698,009,015**
Net assets		**180,939,642**	**175,676,719**
Equity			
Accumulated funds		49,553,938	43,304,263
Reserves	26	131,385,704	132,372,456
Total equity		**180,939,642**	**175,676,719**

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2026

	Accumulated Funds	Asset Revaluation Reserve	Investment Revaluation Reserve	LLL - ALWS Support Fund Reserve	LLL - Child, Youth & Family Support Fund Reserve	LLL - Lutheran Media Support Fund Reserve	LLL– Interna-tional Mission Support Fund Reserve	LLL - Special Purposes Fund Reserve	LLL - Training & Develop-ment Support Fund Reserve
	$	$		$	$	$	$	$	$
Balance as at 30 June 2024	**39,998,285**	**5,991,226**	**-**	**2,013,183**	**8,167**	**86,192**	**105,995**	**11,059,915**	**9,421**
Comprehensive income									
Net surplus for the year	2,211,896	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	**2,211,896**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to reserves	1,094,082	-	-	5,227	-	43,809	43,809	(51,870)	43,810
Balance as at 30 June 2025	**43,304,263**	**5,991,226**	**-**	**2,018,410**	**8,167**	**130,001**	**149,804**	**11,008,045**	**53,231**
Comprehensive income									
Net surplus for the year	6,810,450	-	-	-	-	-	-	-	-
Other comprehensive income	-	2,447,250	(3,994,777)	-	-	-	-	-	-
Total comprehensive income	**6,810,450**	**2,447,250**	**(3,994,777)**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to reserves	(560,775)	-	-		-	-	-	(3,319,926)	-
Balance as at 30 June 2026	**49,553,938**	**8,438,476**	**(3,994,777)**	**2,018,410**	**8,167**	**130,001**	**149,804**	**7,688,119**	**53,231**

Statement of Changes in Equity for the year ended 30 June 2026

	In-Memoriam Donations Reserve	Legacies Reserve	Donations Reserve	Capital Reserve	General Reserve for Credit Losses	LLL–Church Worker Support Fund Reserve	LLL–Local Mission Support Fund Reserve	LLL–Ministry Support Fund Reserve	Total
	$	$	$	$	$	$	$	$	$
Balance as at 30 June 2024	**215,257**	**27,612,109**	**1,229,942**	**81,103,167**	**2,000,000**	**570,271**	**1,455,693**	**6,000**	**173,464,823**
Comprehensive income									
Net surplus for the year	-	-	-	-	-	-	-	-	2,211,896
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,211,896**
Transfer to reserves	330	3,500	29,519	718,094	(2,000,000)	1	23	69,666	-
Balance as at 30 June 2025	**215,587**	**27,615,609**	**1,259,461**	**81,821,261**	**-**	**570,272**	**1,455,716**	**75,666**	**175,676,719**
Comprehensive income									
Net surplus for the year	-	-	-	-	-	-	-	-	6,810,450
Other comprehensive income	-	-	-	-	-	-	-	-	(1,547,527)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,262,923**
Transfer to reserves	8,922	-	15,242	3,281,610			24	574,903	-
Balance as at 30 June 2026	**224,509**	**27,615,609**	**1,274,703**	**85,102,871**	**-**	**570,272**	**1,455,740**	**650,569**	**180,939,642**

The accompanying notes form part of these financial statements

Statement of Cash Flows for the Year Ended 30 June 2026

	Note	2026	2025
		$	$
Cash flows from operating activities			
Interest received		41,944,921	43,392,873
Interest paid		(20,479,816)	(26,054,555)
Dividend received		1,091	-
Net decrease / (increase) in loan facilities		(429,286)	17,116,632
Net decrease in payables-interest bearing		(43,499,392)	(176,289,262)
Sundry receipts from operations		511,461	173,377
Payments to suppliers, employees and allocations		(16,644,026)	(19,530,497)
Legacies received		519,640	826,472
Donations received		41,135	46,722
Net cash from operating activities	**28**	**(38,034,272)**	**(160,318,236)**
Cash flows from Investing activities			
Purchase of property and equipment		(105,002)	-
Purchase of intangibles		(835,032)	(237,742)
Proceeds from sale of property and equipment		1,865	-
Purchase of debt securities		(773,011,099)	(548,761,744)
Proceeds from Disposal of debt securities		757,157,282	377,094,398
Net movement in equity securities		(9,964,402)	-
Net cash from investing activities		**(26,756,388)**	**(171,905,088)**
Net increase in cash and cash equivalents		**(64,790,660)**	**(332,223,324)**
Cash and cash equivalents, beginning of the year		106,987,053	439,210,377
Cash and cash equivalents, end of the year	**12**	**42,196,393**	**106,987,053**

Notes to the Financial Statements for the Year Ended 30 June 2026

Introduction

Note 1 Reporting Entities

These are the financial statements of Lutheran Laypeople's League of Australia Limited (the Company or LLL) as an individual entity for the year ended 30 June 2026. Lutheran Laypeople's League of Australia Limited is incorporated and domiciled in Australia and is a not-for-profit company Limited by Guarantee.

Note 2 Basis of Accounting

This general purpose financial report (tier 1) has been prepared in accordance with:

- The Australian Charities and Not-for-profits Commission Act 2012;
- Australian Accounting Standards (AAS) and Interpretations as issued by the Australian Accounting Standards Board (AASB);
- The Corporations Act 2001;

The consolidated financial statements comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

The Directors resolved to authorise the issue of these financial statements on 17 September 2026.

Note 3 Functional and Presentation Currency

These financial statements are presented in dollars which is the Company's functional currency.

Note 4 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements and estimates made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 18 Provision for expected credit losses.
- Note 21 Property and equipment.

Note 5 Summary of Material Accounting Policy Information

Information about the Company's accounting policies applied in the preparation of the financial statements is distinguished within the relevant notes to the financial statements.

The following accounting policies apply to more than one specific note or to the Company as a whole.

a. Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997.*

b. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

The Company is entitled to claim only 'reduced input tax credits' in relation to limited types of expenditure pertaining to financial supplies and is entitled to claim apportioned input tax credits to the extent that expenditure is attributable to creditable acquisitions. Expenses are recognised net of GST, where claimable. GST incurred but not claimed is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

c. Reclassification of Financial Assets

On 1 July 2025, the Company changed its business model for managing a portfolio of debt instruments from "hold to collect" to "hold to collect and sell". The change reflects management's revised strategy to both collect contractual cashflows and undertake periodic sales of debt instruments as part of liquidity and Balance Sheet movement. Under this classification, interest income is recognised using the effective interest method, expected credit losses are recognised in profit or loss and fair value movements are recognised in other comprehensive income. Upon derecognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified to income and expenditure.

As a result, debt instruments with a carrying value of $404.6 million were reclassified from amortised cost to fair value through other comprehensive income (FVOCI). The reclassification resulted in a fair value loss of $0.4 million being recognised in other comprehensive income.

Investment Revaluation Reserve Movement	Notes	2026 $
Opening balance		-
Initial reclassification adjustment (1 July 2025)		(392,630)
Net fair value movement		(4,960,315)
Net Gain/(loss) on sale of bonds reclassified to income and expenditure	7	1,358,168
Closing balance	**26**	**(3,994,777)**

During the year, the Company also invested in growth assets. These investments are managed and evaluated on a fair value basis and are classified as financial assets at fair value through profit or loss (FVTPL). Changes in fair value, together with realised gains and losses on disposal, are recognised in income and expenditure in the period in which they arise. Dividend income is recognised when the right to receive payment has been established.

d. Newly Adopted Accounting Standards

Except as explained above, the accounting policies applied in this report are consistent with those applied in the Company's 2025 Annual Report. There were no new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that were relevant to the Company's operations for the reporting period ending 30 June 2026.

e. New Standards Not Yet Effective

- *AASB 18 Presentation and Disclosure in Financial Statement*
- *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and measurement of financial instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

The Company plans on adopting the amendments when the new accounting standards become effective. The amendments are not expected to have a material impact on the financial statements once adopted.

f. Comparative figures

Certain comparatives in the statement of profit or loss and other comprehensive income, the statement of financial position and notes to the financial statements have been reclassified, where necessary, to be consistent with current year presentation.

g. Going Concern

This general purpose financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Financial Performance

Note 6 Net Interest Income

Accounting Policy

Interest income and expense are recognised in the statement of income and expenditure and other comprehensive income using the effective interest method.

Fees and costs which form an integral part of the effective interest rate of a financial instrument are recognised using the effective interest method and recorded in interest income or expense depending on whether the underlying instrument is a financial asset or liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in income and expenditure.

	2026 $	2025 $
Interest income		
Investments	31,359,873	31,918,741
General church loans	10,626,601	12,845,622
Gross interest income	**41,986,474**	**44,764,363**
Interest expense		
Payables-interest bearing	19,401,775	25,490,211
Gross interest expense	**19,401,775**	**25,490,211**
Net interest income	**22,584,699**	**19,274,152**

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 7 Other Income

Accounting Policy

All revenue is stated net of goods and services tax.

The Company leases property to external parties. Upon entering into each contract as a lessor, the Company assesses whether the lease is a finance or operating lease. The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Gain/loss of financial instruments is measured as fair value movements on such item, other than interest income or expense which is recognised in Net Interest Income.

Dividend income is recognised in the income statement when the Company's right to receive the dividend is established.

Other income includes redraw lending fees. Redraw lending fees are recognised as income over the period the service is provided.

	2026	2025
	$	$
Rental income	151,913	145,946
Lutheran Tract Mission	41,765	45,834
Gain/loss on sale of bonds at FVOCI	1,358,168	-
Gain/loss on trading instruments	152,646	-
Dividend income	44,319	-
Other income	341,467	179,036
Total	**2,090,278**	**370,816**

Note 8 Employee Benefit Expenses

Accounting Policy

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred. This disclosure policy includes superannuation contributions made by salary sacrifice at the direction of the employee.

Employee benefits are expensed as the related service is provided.

	2026	2025
	$	$
Annual leave	451,633	453,915
Fringe benefits	15,962	42,010
Long service leave	83,037	168,207
Salaries and wages	5,892,455	5,744,415
Superannuation contributions	694,492	802,285
Total	**7,137,579**	**7,210,832**

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 9 Other Expenses

Accounting Policy

Other expenses are recognised as the related expense is incurred.

The LLL has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets. Lease payments in respect of these leases are expensed when paid. Board remuneration has been reclassified from salaries and wages (note 8) to Other Expenses.

	2026	2025
	$	$
Amortisation expense	346,480	207,255
APRA fees	389	45,172
Audit fees	145,640	147,950
Computer expenses	1,311,272	1,328,250
Consulting and legal	2,618,919	4,806,316
Depreciation	87,302	91,095
Insurance	511,845	385,970
Lease payments on low value assets	44,080	49,061
Lutheran Tract Mission costs	67,855	70,747
Occupancy costs	67,960	91,285
Board Remuneration	648,178	677,713
Other administration expenses	1,129,388	1,368,676
Total	**6,979,308**	**9,269,490**

Note 10 Other Benefits and Services

Accounting Policy

The Company makes payments to the Lutheran Church of Australia to fund its projects in accordance with the charitable objects of the Company. The payment amounts are calculated based on the related financial year's surplus and paid when the financial statements have been finalised.

LLL also incurs some minor service costs with respect to certain deposit accounts and costs associated with school banking services.

	2026	2025
	$	$
Subsidy on Children's new investment	-	5
Interest benefits to Christian community	2,765	48,801
Other Grants to the LCANZ	408,142	408,817
Sundry donations	15,148	12,224
Total	**426,055**	**469,847**

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 11 Grants and Distributions

Accounting Policy

Distributions are paid by LLL to provide funding for various activities of the LCANZ as part of the ordinary course of operation and consistent with its charitable objects. While discretionary in nature, distributions on permanent funds are calculated and paid using nominal internal rates applied to reserve balances that are maintained by LLL for those specific purposes. These specific purposes are described at Note 26 as part of Reserve disclosures. The committed distributions are paid throughout the year and the year-end distributions are paid upon finalisation of the financial statements.

	2026	2025
	$	$
Board Allocations	582,556	1,040,097
Benefits to Lutheran Schools	135,000	135,000
Other grants to the LCANZ	3,244,804	255,000
Total	**3,962,360***	**1,430,097***

^ Refer to CEO/Chair report.

Financial Instruments

Overview

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to borrowers. All financial instruments are initially measured at fair value plus transaction costs and recognised on settlement date.

Classification and subsequent measurement

Classification

Financial assets are disclosed in the statement of financial position at a carrying amount which reflects the Company's business model for managing assets and the contractual cash flows of the asset.

On 1 July 2025, the Company changed its business model for managing a portfolio of debt instruments from "hold to collect" to "hold to collect and sell". The change reflects management's revised strategy to both collect contractual cashflows and undertake periodic sales of debt instruments as part of liquidity and Balance Sheet movement.

During the year, the Company also invested in growth assets. These investments are managed and evaluated on a fair value basis and are classified as financial assets at fair value through profit or loss (FVTPL).

Measurement

Financial assets measured at fair value through other comprehensive income

Gains or losses arising from changes in the fair value of debt instruments measured at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in a separate component of equity. Upon derecognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified to income and expenditure.

Financials instruments at fair value through profit or loss

Changes in the fair value of financial assets are recognised in profit or loss.

Financial Liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Interest expenses and gains or losses on derecognition are recognised in income and expenditure.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company removes a financial liability from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

Note 12 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents include cash on hand and deposits held with banks and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Refer to Note 29 Notes to the statement of cash flows for a detailed reconciliation of cash and cash equivalents.

	2026	2025
	$	$
Cash and cash equivalents	42,196,393	106,987,053
Total	**42,196,393**	**106,987,053**

Note 13 Investments

Accounting Policy

All investments are initially measured at fair value plus transaction costs. Debt instruments are subsequently measured at fair value through other comprehensive income as they are held in a business model with the objective of both collecting contractual cashflows and realising assets through sale and they have contractual cash flows which are considered to be solely payment of principal and interest. Equity instruments are subsequently measured at fair value through profit or loss.

	Note	2026	2025
		$	$
Term deposits	19	4,500,000	94,500,000
Debt instruments	19	517,607,808	414,390,600
Equity instruments	19	10,117,048	-
Total gross investments		**532,224,856**	**508,890,600**
Allowance for expected credit losses	18	-	(54,000)
Total net investments		**532,224,856**	**508,836,600**

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 14 Trade and Other Receivables

Accounting Policy

Interest and other receivables are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost.

	2026	2025
	$	$
Prepayments	307,541	317,042
Interest debtors	167,773	156,823
Other receivables	108,271	56,217
Total	**583,585**	**530,082**

Note 15 Loans Receivable

Accounting Policy

Loans and advances feature contract terms which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Loans and advances are initially recognised at fair value plus transaction costs directly attributable to the origination of the loan or advance. These costs are amortised over the estimated life of the loan. Subsequently, loans and advances are measured at amortised cost using the effective interest rate method, net of any provision for credit impairment.

	Note	2026	2025
		$	$
General Church Loans			
General Church		1,586,352	1,792,873
New South Wales		10,206,269	8,442,419
Queensland		51,576,646	40,001,892
South Australia		96,440,106	103,629,449
Victoria		75,559,549	81,234,519
Western Australia		9,812,860	9,616,883
Total		**245,181,782**	**244,718,034**
Other Loans			
Other sundry loans		-	34,462
Total		**-**	**34,462**
Total gross loans receivable		**245,181,782**	**244,752,496**
Allowance for expected credit losses	18	(145,000)	(171,000)
Total net loans receivable		**245,036,782**	**244,581,496**

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 16 Deposits

Accounting Policy

The company's financial liabilities including interest-bearing payables are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost.

Payables – Interest-bearing based on actual maturity date

	2026	2025
	$	$
Investments – Instant Access and Notice of Withdrawal Facilities	382,210,292	443,323,515
Investments – Charitable Facility	331,420	-
Investments – Term Investments Facility	264,629,680	247,347,270
Total	**647,171,392**	**690,670,785**

Further detail on the Charitable Facility can be found within the Chair and CEO Message.

Payables – Interest bearing based on withdrawal experience

	2026	2025
	$	$
Current Liabilities – payable not later than 12 months		
Investments from Associates	287,325,107	232,245,220
Investments from Non-Associates	136,460,619	168,814,015
Total	**423,785,726**	**401,059,235**
Non-Current Liabilities – payable later than 12 months		
Investments from Associates	158,979,870	228,240,099
Investments from Non-Associates	64,405,796	61,371,451
Total	**223,385,666**	**289,611,550**

Investments are classified in the above table according to the forecast behaviour of investors in the Company which is based on historic experience of LLL.

Payables – Interest bearing – maturity analysis

	2026	2025
	$	$
At Call	244,624,180	288,780,123
Longer than at call and not longer than 6 months	353,251,738	308,947,921
Longer than 6 months and not longer than 12 months	49,295,474	92,942,741
Total	**647,171,392**	**690,670,785**

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 17 Trade and Other Payables

Accounting Policy

Interest and other payables are initially recognised at fair value and subsequently measured at amortised cost.

	2026	2025
	$	$
Trade creditors	917,236	725,860
Total	**917,236**	**725,860**
Grants and donations payable		
LCANZ & District allocations	2,044,006	780,097
Special purpose allocations	253,153	376,251
Other grants	41,000	-
Total	**2,338,159**	**1,156,348**
Total trade and other payables	**3,255,395**	**1,882,208**

Note 18 Provision For Expected Credit Losses

Accounting Policy

AASB 9 requires the Company to recognise 'expected credit losses' on financial instruments. Expected credit losses represent a probability-weighted estimate of the present value of credit losses as a result of default. The Company assesses default to have occurred where a contractual payment is equal to or more than 90 days past due.

Financial assets to which the expected credit losses model are applied have been categorised as follows:

Stage	Measurement basis
Stage 1	assets whose credit risk has not increased significantly since initial recognition.
Stage 2	assets whose credit risk has increased significantly since initial recognition, other than those assessed as credit-impaired.
Stage 3	assets which are credit-impaired.

Expected credit losses on Stage 1 assets represent the portion of lifetime expected credit losses that result from default events that are possible within 12 months after the reporting date.

Expected credit losses on Stage 2 and Stage 3 assets represent lifetime expected credit losses resulting from all possible default events over the expected life of the financial asset.

Financial assets are assessed for significant increases in credit risk on an individual basis based on a variety of factors, including past events, current conditions and forward-looking information at both an individual counterparty level and a collective and macroeconomic level.

Financial assets which become past due by 30 days or more are presumed to have suffered a significant increase in credit risk in the absence of reasonable and supportable information which may rebut this presumption. The Company assesses an amount as past due where a contractual payment has not been met. No financial assets of the Company were assessed as past due by 30 days or more during the reporting period.

Where a financial asset has been externally rated as 'investment grade' the Company has assumed that the asset has not suffered a significant increase in credit risk since initial recognition. This assumption has been applied to the Company's portfolio of investments in term deposits and debt instruments where relevant.

Expected credit losses on Stage 1 and Stage 2 financial assets are measured on a collective basis. Financial instruments are grouped by instrument type and on the basis of shared credit risk characteristics.

Measurement of expected credit losses

Expected credit loss calculations are based on historical loss rates, adjusted for current conditions and forward-looking information at both an individual counterparty level and a macroeconomic level.

Expected credit losses are the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

All of the Company's loans receivable are supported by guarantees provided by the LCANZ Districts. Mortgages over freehold property and other security are also held in relation to a large portion of the Company's loans receivable. The existence of these security instruments is highly relevant to the estimation of expected credit losses.

Credit-impaired financial assets

A financial asset or a group of financial assets is deemed to be impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Financial assets are assessed for indicators of impairment at the end of each reporting period. The amount of the impairment loss is measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The amount of any loss is recognised as part of the provision for expected credit losses.

Write-off of financial instruments

Financial assets are written off where there is no reasonable expectation of recovering the entirety or a portion of the gross carrying amount of a financial asset. The Company generally determines that there is no reasonable expectation of recovery where the counterparty no longer has sufficient assets or cash flows to repay any further amounts, and collateral and guarantees held by the Company to secure the exposure have been exhausted. Recovery of amounts previously written off (for example, due to continuing enforcement activity) reduce any loan impairment expense recognised for the reporting period.

Renegotiated or modified loans

Where the terms of a loan have been renegotiated or modified and the loan is not derecognised, the Company adjusts the gross carrying amount of the financial asset to reflect the present value of the renegotiated cash flows. Where this occurs, the Company assesses whether there has been a significant increase in credit risk by comparing the risk of default at the reporting date based on the modified contractual terms against the risk of default at the time of initial recognition of the original loan. Renegotiation or modification of a loan to assist a borrower with meeting their contractual payment obligations is generally considered to be an indicator of an increase in credit risk.

Where the Company determines that a loan was modified due the borrower's financial distress, the gain or loss from adjustment of the carrying amount is recognised as part of impairment losses.

A decrease in credit risk will ordinarily only be assessed to have occurred after a prolonged history of payment performance against the modified contractual terms and consideration of a variety of indicators of financial performance of the borrower.

Collateral and other credit enhancements

Most loans are secured by first mortgages and general security deeds. All loan exposures to LCANZ are secured by a specific guarantee and indemnity for loss from the relevant Districts of the Church.

Reconciliation of provision for expected credit losses

The Company has recognised expected credit losses with respect to its financial assets held as at 30 June 2026 in accordance with this accounting policy.

The following table shows the movement in expected credit losses recognised in accordance with this accounting policy with respect to financial assets measured at amortised cost and fair value through other comprehensive income.

2026	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit impaired	Stage 3 Lifetime ECL Credit impaired	Total
	$	$	$	$
Opening loss allowance - Loans	**116,000**	**55,000**	**-**	**171,000**
Charges for the period	4,000	(30,000)	-	**(26,000)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Write-offs	-	-	-	**-**
Closing loss allowance - Loans	**120,000**	**25,000**	**-**	**145,000**
Opening loss allowance - Investments	**54,000**	**-**	**-**	**54,000**
Charges for the period	(54,000)	-	-	**(54,000)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Write-offs	-	-	-	**-**
Closing loss allowance - Investments	**-**	**-**	**-**	**-**
Total loss allowance	**120,000**	**25,000**	**-**	**145,000**

2025	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit impaired	Stage 3 Lifetime ECL Credit impaired	Total
	$	$	$	$
Opening loss allowance - Loans	**153,000**	**68,000**	**-**	**221,000**
Charges for the period	(37,000)	(13,000)	-	**(50,000)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Write-offs	-	-	-	**-**
Closing loss allowance - Loans	**116,000**	**55,000**	**-**	**171,000**
Opening loss allowance - Investments	**78,000**	**-**	**-**	**78,000**
Charges for the period	(24,000)	-	-	**(24,000)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Write-offs	-	-	-	**-**
Closing loss allowance - Investments	**54,000**	**-**	**-**	**54,000**
Total loss allowance	**170,000**	**55,000**	**-**	**225,000**

Sensitivity of provision for expected credit losses to changes in loan categorisations

The Company has conducted a sensitivity analysis with respect to the categorisation of loans within its modelling for the provision for expected credit losses. The impact of changes to loan categorisations is shown here.

2026	Increase (decrease) in loan provision	Balance of loan provision
	$	$
All Stage 1 Moderate Risk and Stage 1 Loans Without First Mortgage elevated to Stage 2	11,000	156,000
All Stage 2 loans returned to Stage 1 Moderate Risk	(8,000)	137,000
All Stage 2 loans returned to Stage 1 Low Risk	(19,000)	126,000

2025	Increase (decrease) in loan provision	Balance of loan provision
	$	$
All Stage 1 Moderate Risk and Stage 1 Loans Without First Mortgage elevated to Stage 2	31,000	202,000
All Stage 2 loans returned to Stage 1 Moderate Risk	(17,000)	154,000
All Stage 2 loans returned to Stage 1 Low Risk	(42,000)	129,000

Critical accounting judgements and estimates

Significant judgement is applied in estimating provisions for expected credit losses. The Company uses a risk-based approach to estimate expected credit losses, whereby loans are grouped into categories of loans sharing common risk factors. Risk factors include security, loan-to-value ratios, borrower industry, repayment history and other quantitative and qualitative information. Probability of default (PD) and loss-given default (LGD) estimates are then applied to each loan category in accordance with benchmark PDs and LGDs, adjusted for the Company's own unique loss experience and expectations.

The Company holds debt investments with counterparties that have strong credit ratings and a low risk of default. Based on the requirements of AASB 9 and management's assessment of expected future credit losses, any impairment allowance arising from the expected credit loss model is considered immaterial.

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 19 Financial Risk Management

The Company's Risk Management Framework (RMF) integrates risk management processes into the Company's governance, strategic planning, risk appetite, policies and reporting to ensure that risk is managed effectively and coherently.

LLL has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

LLL's Board of Directors is ultimately responsible for the sound and prudent management of the operation. Risk governance originates with the Board and cascades via Board level committees through the CEO, Management and staff.

The Board, through the Board Risk Committee, promote awareness of a risk based culture within the Company and support the establishment by management of an acceptable balance between risk and reward. There is regular reporting to the Board Risk Committee including updates on material risk categories.

The Company's RMF utilises the 'Three Lines of Defence' model. Risk management obligations are allocated for risk ownership and functionally independent oversight and assurance across the three lines (see below). These act as the foundation for effective risk management across the organisation.

Stage	Response
First Line	Executive management own and manage risks and controls (including the identification and assessment of risk and controls) within their business and across the operational environment in line with the organisation's risk appetite.
Second Line	The Risk function provides independent risk management expertise and independent oversight for management's risk-taking activities and assists the Board, board committees and senior management to maintain the RMF which enables first line management to manage the risk and control environment within the Board approved risk appetite.
Third Line	Internal audit provides independent assurance over the RMF and its application by the First and Second Lines.

Credit Risk

Credit risk overview, management and control responsibilities

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss.

Credit risk is managed through the strict adherence to loan procedures and policies. In August 2024, LLL members endorsed a revised Constitution, which includes an expanded Objects clause that now allows the LLL to lend to non-Lutheran entities following the successful transition to a RCDF.

The Company undertakes a robust assessment of credit applications through adherence to strict credit policies. Where appropriate, loans are secured by available collateral that includes mortgage security, general security deeds, and other collateral. All loan exposures to LCANZ entities are also secured by a guarantee and indemnity for loss from the relevant District of the Church.

Credit risk is also minimised through limits and policies as specified in the Company's Investment Policy Statement which includes:

- Credit grade limits on collective and individual investments.
- Concentration limits on exposure to any one counterparty or group of related counterparties. The Company will not place investments with counterparties rated below Investment grade (BBB-).

The Board maintains an Investment Policy Statement which provides direction to the Company's external investment adviser and management.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets as presented in the statement of financial position, plus loans approved but not yet advanced and undrawn overdraft facilities. Refer to Note 27 for details regarding loans approved but not yet advanced and undrawn overdraft facilities.

The table to the right shows the gross credit risk exposures to which the expected credit losses model is applied, grouped by financial asset type and credit risk rating grade. Loans and advances are internally rated based on a variety of factors, including past events, current conditions and forward-looking information at both an individual counterparty level and a collective and macroeconomic level. Debt instruments are externally rated in accordance with Investment Policy Statement.

2026	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit impaired	Stage 3 Lifetime ECL Credit impaired	Total
	$	$	$	$
Loans - Education				
Low risk	206,482,529	-	-	206,482,529
Moderate risk	2,926,700	11,892,650	-	14,819,350
Higher risk		-	-	-
Total	**209,409,229**	**11,892,650**	**-**	**221,301,879**
Loans - Congregations				
Low risk	4,433,214	-	-	4,433,214
Moderate risk	-	-	-	-
Higher risk	-	-	-	-
Total	**4,433,214**	**-**	**-**	**4,433,214**
Loans - Aged Care and Retirement				
Low risk	11,412,171	-	-	11,412,171
Moderate risk		-	-	
Higher risk	-	-	-	-
Total	**11,412,171**	**-**	**-**	**11,412,171**
Loans - Other				
Low risk	6,448,167*	-	-	6,448,167
Moderate risk	1,586,352	-	-	1,586,352
Higher risk	-	-	-	-
Total	**8,034,519**	**-**	**-**	**8,034,519**
Debt instruments and Term Deposits				
AAA to AA-	241,429,419	-	-	241,429,419
A+ to A-	150,961,831	-	-	150,961,831
BBB+ to BBB-	125,216,558	-	-	125,216,558
Not rated	4,500,000	-	-	4,500,000
Total	**522,107,808**	**-**	**-**	**522,107,808**
Total gross carrying amount	**755,396,941**	**11,892,650**	**-**	**767,289,591**

*Includes $1.3m of non LCANZ lending

2025	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit impaired	Stage 3 Lifetime ECL Credit impaired	Total
	$	$	$	$
Loans - Education				
Low risk	206,431,921	-	-	206,431,921
Moderate risk	4,015,101	11,155,670	-	15,170,771
Higher risk		-	-	-
Total	**210,447,022**	**11,155,670**	**-**	**221,602,692**
Loans - Congregations				
Low risk	3,571,184	-	-	3,571,184
Moderate risk	-	-	-	-
Higher risk	-	-	-	-
Total	**3,571,184**	**-**	**-**	**3,571,184**
Loans - Aged Care and Retirement				
Low risk	7,298,499	-	-	7,298,499
Moderate risk	2,421,596	-	-	2,421,596
Higher risk	-	-	-	-
Total	**9,720,095**	**-**	**-**	**9,720,095**
Loans - Other				
Low risk	8,065,652	-	-	8,065,652
Moderate risk	1,792,873	-	-	1,792,873
Higher risk	-	-	-	-
Total	**9,858,525**	**-**	**-**	**9,858,525**
Debt Securities and Term Deposits				
AAA to AA-	357,497,746	-	-	357,497,746
A+ to A-	128,280,023	-	-	128,280,023
BBB+ to BBB-	18,612,831	-	-	18,612,831
Not rated	4,500,000	-	-	4,500,000
Total	**508,890,600**	**-**	**-**	**508,890,600**
Total gross carrying amount	**742,487,426**	**11,155,670**	**-**	**753,643,096**

Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- Daily monitoring of Company's liquidity position.
- Preparation and maintenance of cash flow forecast in relation to its operational, investing and financing activities.
- Maintaining a reputable credit profile.
- Asset class and asset size limits as specified in the Company's Investment Policy Statement.

The Company accepts customer investments for the purpose of fulfilling its charitable objects in providing financial support to the LCANZ. Interest is offered on customer investments. Customers may withdraw funds in accordance with the terms and conditions applicable to the particular Investment facility.

Customer investments include monies from constituent supporters that enable loans to be made to the nominated entity or project within its constitutional confines (which enables lending to the LCANZ, entities under the umbrella of the Church and other non-Lutheran entities).

Maturity Analysis

The following table provides the contractual maturities of financial liabilities and financial assets held for liquidity management purposes. The contractual maturities for financial liabilities vary significantly from expected cash flows. In particular, the Company enjoys stable support from investors who align with the charitable objects of the Company.

To aid the security of Customer investments, the Company maintains strong levels of liquid funds and maintains significant investments in interest bearing instruments that are readily convertible to cash.

Notes to the Financial Statements for the Year Ended 30 June 2026

30 June 2026 Maturity Analysis	Notes	At call $	Less than 12 months $	Greater than 12 months $	Total $
Financial assets					
Cash and cash equivalents	12	42,196,393	-	-	**42,196,393**
Term deposits	13	-	4,500,000	-	**4,500,000**
Debt Instruments	13	-	91,539,992	426,067,816	**517,607,808**
Loans receivable	15	-	5,540,440	239,641,342	**245,181,782**
Total Financial assets		**42,196,393**	**101,580,432**	**665,709,158**	**809,485,983**
Financial liabilities					
Payables-Interest bearing	16	244,624,180	402,547,212	-	**647,171,392**
Trade and other payables	17	-	3,255,395	-	**3,255,395**
Other liabilities	23	-	3,664,546	-	**3,664,546**
Total Financial liabilities		**244,624,180**	**409,467,153**	**-**	**654,091,333**

30 June 2025 Maturity Analysis	Notes	At call $	Less than 12 months $	Greater than 12 months $	Total $
Financial assets					
Cash and cash equivalents	12	106,987,056	-	-	**106,987,056**
Term deposits	13	-	94,500,000	-	**94,500,000**
Debt Instruments	13	-	116,925,344	297,465,256	**414,390,600**
Loans receivable	15	-	1,728,356	243,024,140	**244,752,496**
Total Financial assets		**439,210,377**	**106,987,056**	**213,153,700**	**540,489,396**
Financial liabilities					
Payables-Interest bearing	16	288,782,716	401,888,069	-	**690,670,785**
Trade and other payables	17	-	1,882,208	-	**1,882,208**
Other liabilities	23	-	4,742,588	-	**4,742,588**
Total Financial liabilities		**288,782,716**	**408,512,865**	**-**	**697,295,581**

Notes to the Financial Statements for the Year Ended 30 June 2026

Market Risk

Growth Asset Risk

The Company maintains a diversified investment portfolio in accordance with its Investment Policy Statement, which includes exposure to growth assets such as Australian equities, international equities and real assets. The Board Audit Committee receives regular reporting on investment performance and asset allocation from the Company's external investment adviser to ensure exposures remain within approved risk limits.

The Company is exposed to equity price risk arising from investments in listed securities and real assets. These investments are subject to fluctuations in market prices resulting from changes in economic conditions, investor sentiment and other market factors.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's Instant Access, Notice of Withdrawal facilities and variable loan products are offered at a variable interest rate, which allows for adjustment to reflect market conditions.

The Company's primary source of interest rate risk arises from its investments in fixed term deposits and debt instruments. Debt instruments predominantly provide for a floating rate of interest. The Term Investment facility is also subject to interest rate risk as the interest rate is fixed over the term of the investments, however, the balance of term investments is comparatively smaller.

The following table details the categories of financial instruments disclosed in the financial accounts, the interest rate assessed risk level and the reasoning.

Financial instrument category	Assessed risk	Reasoning
Financial assets		
Cash and cash equivalents	Low	Cash is maintained at variable interest rates.
Receivables	Low	Short-term asset - not affected by changes in interest rates.
Loans	Medium	Loan interest rates are variable and periodically adjusted to market conditions.
Investments	Medium	Financial assets are predominantly fixed interest investments and floating rate notes.
Financial liabilities		
Payables – Interest bearing	Medium	Monies invested with the Company are Instant Access, Notice of Withdrawal or on Term Investments with a maximum term of 12 months. Investment facilities interest rates are periodically adjusted to market conditions.
Trade and other payables	Low	Short-term liabilities - not affected by changes in interest rates.

The net effective variable interest rate investments expose the Company to interest rate risk which will impact future cash flows and interest income. This is indicated by the following floating interest rate financial assets.

	2026	2025
	$	$
Floating rate instruments		
Debt instruments	365,520,522	266,883,469
Total floating rate instruments	**365,520,522**	**266,883,469**

Notes to the Financial Statements for the Year Ended 30 June 2026

Sensitivity Analysis

The following table illustrates sensitivities to the Company's exposures to changes in equity market value and interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Growth Asset Risk

Year ended 30 June 2026			
		Profit	Equity
		$	$
+ 10%	Increase in market values	1,011,705	1,011,705
- 10%	Decrease in market values	(1,011,705)	(1,011,705)

Year ended 30 June 2025			
		Profit	Equity
		$	$
+ 10%	Increase in market values	-	-
- 10%	Decrease in market values	-	-

The analysis assumes all other variables remain constant and is based on growth asset holdings at reporting date.

Interest Rate Risk

Year ended 30 June 2026			
		Profit	Equity
		$	$
+ 0.50%	Interest rates	7,757,164	7,757,164
- 1.50%	Interest rates	(2,585,721)	(2,585,721)

Year ended 30 June 2025			
		Profit	Equity
		$	$
+ 1.50%	Interest rates	6,284,872	6,284,872
- 0.50%	Interest rates	(2,094,957)	(2,094,957)

The interest rate risk sensitivities reflect the change in return that would be expected in relation to the Company's at call funds and floating rate debt instruments. The analysis assumes no change in interest income from loans advanced or interest expense on investor funds.

Note 20 Fair Value

The Company measures fair value using the fair value hierarchy in accordance with AASB 13 as follows:

Level 1	Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs that are unobservable inputs for the asset or liability.

The fair values reported in these financial statements reflect 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 reporting date. All asset fair values reported reflect the highest and best use of the relevant assets.

There were no transfers between fair value hierarchies during the reporting period.

Fair Values of Financial Instruments

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts presented in the statement of financial position.

Quoted price in active markets – Level 1

Fair values of equity instruments are measured on Level 1 basis, by reference to unadjusted quoted prices in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuations using observable inputs – Level 2

Fair values of investment liabilities, trade and other receivables and trade and other payables approximate their carrying value.

Fair values of debt instruments such as fixed and floating rate notes are measured on a Level 2 basis, reflecting observable market values sourced from the Company's external investment adviser.

Valuations using significant unobservable inputs – Level 3

Fair values of loans and advances are determined using discounted cash flow techniques based on the current effective interest rates.

Notes to the Financial Statements for the Year Ended 30 June 2026

30 June 2026 Financial instruments	Note	Gross carrying amount $	Fair values $	Fair value hierarchy $
Financial assets				
Cash and cash equivalents	12	42,196,393	42,196,393	Level 1
Term deposits	13	4,500,000	4,500,000	Level 2
Loans and advances	15	245,181,782	245,181,782	Level 3
Trade and other receivables	14	583,585	583,585	Level 3
Debt instruments	13	517,607,808	517,607,808	Level 2
Equity instruments	13	10,117,048	10,117,048	Level 1
Other assets	22	3,935,879	3,935,879	Level 2
Total financial assets		**824,122,495**	**824,122,495**	
Financial liabilities				
Payables-Interest bearing	16	647,171,392	647,171,392	Level 2
Trade and other payables	17	3,255,395	3,348,025	Level 3
Other liabilities	23	3,664,545	3,664,545	Level 3
Total financial liabilities		**654,091,332**	**654,091,332**	

30 June 2025 Financial instruments	Note	Gross carrying amount $	Fair values $	Fair value hierarchy $
Financial assets				
Cash and cash equivalents	12	106,987,053	106,987,053	Level 1
Term deposits	13	94,500,000	94,500,000	Level 2
Loans and advances	15	244,752,496	244,752,496	Level 3
Trade and other receivables	14	530,082	530,082	Level 3
Debt instruments	13	414,390,600	413,192,268	Level 2
Other assets	22	3,862,049	3,862,049	Level 2
Total financial assets		**865,022,280**	**863,823,948**	
Financial liabilities				
Payables-Interest bearing	16	690,670,785	690,670,785	Level 2
Trade and other payables	17	1,882,208	1,882,208	Level 3
Other liabilities	23	4,742,588	4,742,588	Level 3
Total financial liabilities		**697,295,581**	**697,295,581**	

Notes to the Financial Statements for the Year Ended 30 June 2026

Other Assets and Liabilities

Note 21 Property and Equipment

Accounting Policy

Property and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value, based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the Board conduct Board valuations to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Equipment

Equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in income and expenditure or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are recognised as expenses in income and expenditure in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings (other than a revaluation year) but excluding freehold land, is depreciated on a straight line basis over the assets useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets for the current and comparable period are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Plant and equipment	10.0 - 33.3%
Furniture and fittings	10.0 - 33.3%
Motor vehicles	20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in income and expenditure. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surpluses.

Key judgements and estimates

Impairment

The freehold land and buildings were independently valued at 30 June 2026 by McGees Property. The valuation was based on fair value less costs of disposal. The critical assumptions adopted in determining the valuation included location of the land and buildings, strong demand in the locality of the premises and recent sales data.

Useful lives of property and equipment

The Company reviews the estimated useful lives of property and equipment at the end of each annual reporting period.

Notes to the Financial Statements for the Year Ended 30 June 2026

	2026	2025
	$	$
Freehold Land and Buildings at valuation:		
Independent valuation 2026	10,800,000	8,490,000
Additions at cost	75,647	-
Less: accumulated depreciation	-	(91,500)
Total land and buildings	**10,875,647**	**8,398,500**

	2026	2025
	$	$
Furniture and fittings	254,466	254,466
Less: accumulated depreciation	(253,721)	(252,674)
	745	**1,792**
Plant and equipment	795,852	770,635
Less: accumulated depreciation	(728,914)	(692,545)
	66,938	**78,090**
Total equipment	**67,683**	**79,882**
Total property and equipment	**10,943,330**	**8,478,382**

Asset Revaluations

The freehold land and buildings were independently valued at 30 June 2026 by McGees Property.

Property	Date	$
Flats (8) - North Adelaide	June 2026	3,600,000
Office building and land - North Adelaide	June 2026	7,200,000
Total property		**10,800,000**

Notes to the Financial Statements for the Year Ended 30 June 2026

Movement in carrying amounts for each class of property and equipment between the beginning and end of the financial year.

2025	Land and Buildings Occupied	Land and Buildings Leased	Furniture and Fittings	Equipment	Total
	$	$	$	$	$
Balance at the beginning of the year	**5,585,000**	**2,859,250**	**4,475**	**120,752**	**8,569,477**
Additions					
Disposals					
Depreciation expense	(25,000)	(20,750)	(2,683)	(42,662)	**(91,095)**
Adjustment					
Revaluation movement					
Carrying amount at the end of the year	**5,560,000**	**2,838,500**	**1,792**	**78,090**	**8,478,382**

2026	Land and Buildings Occupied	Land and Buildings Leased	Furniture and Fittings	Equipment	Total
	$	$	$	$	$
Balance at the beginning of the year	**5,560,000**	**2,838,500**	**1,792**	**78,090**	**8,478,382**
Additions	75,647			29,353	**105,000**
Disposals					
Depreciation expense	(25,000)	(20,750)	(1,047)	(40,505)	**(87,302)**
Adjustments					
Revaluation movement	1,665,000	782,250	-	-	**2,447,250**
Carrying amount at the end of the year	**7,275,647**	**3,600,000**	**745**	**66,938**	**10,943,330**

Leased land and buildings

The company leases buildings to external parties with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	Current (< 1 year)	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
2026 - Undiscounted annual lease payments	123,730	5,350	-	-		-	**129,080**
2025 - Undiscounted annual lease payments	110,240	18,000	-	-		-	**128,240**

Risk Management

The leased properties are residential properties subject to residential tenancies. The North Adelaide Flats are generally subject to renewable lease agreements of up to 12 months in duration. The Company manages the risks relating to leased properties by having residential lease agreements in place, whereby the tenant is required to compensate the Company in respect of early termination of lease agreements and damage other than acceptable 'wear and tear'.

Notes to the Financial Statements for the Year Ended 30 June 2026

Fair Value

The Company measures and recognises land and buildings at fair value on a recurring basis in the statement of financial position after initial recognition.

30 June 2026 Recurring fair value measurements in the statement of financial position	Notes	Level 1	Level 2	Level 3	Total
		$	$	$	$
Non-financial assets					
Freehold land		-	9,800,000	-	**9,800,000**
Buildings		-	1,075,647	-	**1,075,647**
Total non-financial assets measured at fair value		**-**	**10,875,647**	**-**	**10,875,647**

30 June 2025 Recurring fair value measurements in the statement of financial position	Notes	Level 1	Level 2	Level 3	Total
		$	$	$	$
Non-financial assets					
Freehold land		-	6,660,000	-	**6,660,000**
Buildings		-	1,830,000	-	**1,830,000**
Total non-financial assets measured at fair value		**-**	**8,490,000**	**-**	**8,490,000**

Land and buildings are measured on a Level 2 basis using a market approach. The market approach uses prices and other relevant information generated by transactions involving similar or comparable assets.

Valuation technique	Significant inputs	Inter-relationship between key inputs and fair value measurement
Market approach The valuation model estimates market value by comparing against sale prices observed for other similar properties.	**Offices** $2,625 per sqm **Flats** $4,000 per sqm	The estimated market value would increase if: • Land values increased • Buildings were improved

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 22 Other Assets

	2026	2025
	$	$
Interest accrued – debt instruments	3,931,212	3,862,049
Interest accrued - loans and overdrafts	1,550	-
Goods and Services Tax	3,117	-
Total	**3,935,879**	**3,862,049**

Note 23 Other Liabilities

	2026	2025
	$	$
Other financial liabilities		
Accrued interest	3,646,088	4,701,418
Accrued expenses	18,458	35,075
Total other financial liabilities	**3,664,546**	**4,736,493**
Goods and Services Tax	-	6,095
Total other liabilities	**3,664,546**	**4,742,588**

Note 24 Provisions

Accounting Policy

Short term employee provisions

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term benefits are those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees rendered their service including wages, salaries and annual leave. Short term benefits are measured at the undiscounted amounts expected to be paid.

Long term employee provisions

Provision is made for employees' long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees rendered their service. Long term employee benefits are measured at the present value of the expected future payments. Expected future payments incorporate anticipated future wage and salary levels, durations of service and expected departures and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations, the net change is recognised in income and expenditure as part of provision expense.

Notes to the Financial Statements for the Year Ended 30 June 2026

	2026	2025
	$	$
Employee benefits - Annual leave	413,544	365,637
Employee benefits - Long service leave	333,342	306,209
Employee benefits - Other	-	-
Unclaimed monies	41,589	41,589
Unclaimed depositors	-	-
Total	**788,475**	**713,435**

Analysis of short term provisions

	2026	2025
	$	$
Settled within 12 months	650,444	560,617
Settled greater than 12 months	138,031	152,818
Total	**788,475**	**713,435**

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have been vested due to employees having completed their required period of service. Based on past experience, the Company does not expect the full amount of annual or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement on these amounts in the event employees wish to use their leave entitlements.

Note 25 Intangible Assets

Accounting Policy

Software is recognised at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and five years. It is assessed when there is an indication of impairment.

	2026	2025
	$	$
Computer software - at cost	3,744,563	2,909,530
Less: accumulated amortisation	(2,845,938)	(2,499,457)
	898,625	**410,073**

Movement in carrying amounts

2026	Note	Acquired computer software $	Total $
Balance at the beginning of year		410,073	410,073
Additions		835,032	835,032
Disposals		-	-
Write offs			
Amortisation expense		(346,480)	(346,480)
Impairment losses			
Balance at the end of year		**898,625**	**898,625**

2025	Note	Acquired computer software $	Total $
Balance at the beginning of year		423,436	423,436
Additions		237,742	237,742
Disposals		-	-
Write offs		(43,850)	(43,850)
Amortisation expense	9	(207,255)	(207,255)
Impairment losses			
Balance at the end of year		**410,073**	**410,073**

Notes to the Financial Statements for the Year Ended 30 June 2026

Capital Management

Note 26 Reserves

Accounting Policy

The Company maintains reserves as part of its equity to represent net assets that are held and utilised for specific purposes consistent with the objects of the company.

This is consistent with the policy of the Company's Board that moneys contributed by various supporters are identified as part of its capital base and aid the long-term sustainability of the LLL.

The Company makes annual grants to various LCANZ projects in relation to some of these reserves. The grants are recorded as part of 'benefits and services' costs as reported at Note 10 and are calculated using the standard loan lending rate of the Company as applied to the balance of the underlying reserve.

When LLL receives a bequest where the wish of the deceased was for the monies to support a particular ministry of the LCANZ in perpetuity, those monies are transferred to the relevant one of the following reserves:

- LLL Church Worker Support Fund Reserve
- LLL ALWS Support Fund Reserve
- LLL Local Mission Support Fund Reserve
- LLL Lutheran Media Support Fund Reserve
- LLL Ministry Support Fund Reserve
- LLL International Mission Support Fund Reserve
- LLL Training and Development Support Fund Reserve
- LLL Special Purposes Fund Reserve
- LLL Child, Youth & Family Support Fund Reserve
- LLL Capital Reserve

During the year ended 30 June 2026, the company reclassified a total of $3.1m reserve relating to unclaimed monies and unclaimed deposits and the capital component of LLL Tract Mission Fund from LLL Special Purpose Fund Reserve to LLL Capital Reserve.

A brief explanation of each reserve account is as follows:

Asset Revaluation Reserve

The Asset Revaluation Reserve records revaluation increments and decrements arising from the revaluation of land and buildings.

Capital Reserve

The Board uses this reserve to set-aside funds from accumulated surpluses to aid the capital adequacy of the Company. This reserve contains those allocations and is an important component of the capital management strategy of the Company. This reserve includes the capital component of LLL Tract Mission Fund.

Investment revaluation reserve

The reserve records movements in the fair value of debt instruments that are not recognised immediately in profit or loss. The balance represents cumulative unrealised gains and losses at reporting date. Upon disposal of the investment the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income and expenditure.

Donations Reserve

General donations received from supporters of the LLL are set-aside to this reserve account. These moneys are specifically identified in this way to ensure that donated money is reflected in the capital base of the Company.

In-Memoriam Donations Reserve

Donations received in honour of deceased persons are set-aside to this reserve account and form part of the capital base of the company.

LLL Church Worker Support Fund Reserve

This reserve account was formerly known as the Mission Lay Helper Fund and reflects moneys set aside and donated for the support of ministry performed by LCANZ church workers. The reserve was created in honour of two esteemed church workers, Ben Koch and John Dolling. Both men were former leaders of The Company in its development and growth. Annual grants are paid in relation to this reserve and made available for appropriate church worker support.

Notes to the Financial Statements for the Year Ended 30 June 2026

Legacies Reserve

This reserve sets-aside as capital all moneys bequeathed to the Company other than those moneys that are bequeathed for special purposes. Special purpose legacies are allocated directly to appropriate specified reserves.

LLL ALWS Support Fund Reserve

This reserve is moneys set aside for the support of Australian Lutheran World Service (ALWS). The reserve amount records moneys donated to the Company for this purpose together with allocations made by the Board. Annual grants are paid in relation to this reserve and made available for ALWS mission purposes.

LLL Local Mission Support Fund Reserve

Moneys allocated by the Board together with specific donations and bequests for the purpose of providing resources for new local ministry in the LCANZ. Annual grants are paid in relation to this reserve and made available to the LCANZ to support local mission projects.

LLL Lutheran Media Support Fund Reserve

Moneys set aside by the Board together with donations and legacies have created and added to this reserve for the purposes of Lutheran Media Ministries. Annual grants are paid in relation to this reserve and made available to the Lutheran Church for the specific purpose of media ministry.

LLL Ministry Support Fund Reserve

The Board established the Ministry Support Fund Reserve for the purposes of setting aside additional funding for the LCANZ in its endeavours of faith development and evangelism. Annual grants are paid in relation to this reserve for these purposes.

LLL International Mission Support Fund Reserve

This reserve account was formerly known as LLL Overseas Mission Fund. Funds set aside by the Board together with specified donations and bequests for the direct support of overseas evangelism and ministry of the LCANZ. Annual grants are paid in relation to this reserve for these purposes of expending on appropriate international mission projects.

LLL Training and Development Support Fund Reserve

This reserve account was formerly known as LLL Scholarship Fund. Funds set aside by the Board together with specified donations and bequests for the direct purpose of providing training and development funding. Annual grants are paid to the LCANZ in relation to this reserve for training and development purposes.

LLL Special Purposes Fund Reserve

This reserve represents a composite of moneys set aside for specific purposes and arises from specified donations and bequests. A subsidiary schedule of purposes is maintained by the Company to honour the intended purposes of the moneys pledged and that are held for specific purposes. Annual grants are made available commensurate with this reserve for direct project expenditure for the relevant special purposes.

LLL Child, Youth & Family Support Fund Reserve

Capital set aside by the Board together with accumulated donations for the purpose of child, youth and family ministry support of the LCANZ. Annual grants are paid to the LCANZ in relation to this reserve for these ministry purposes.

Notes to the Financial Statements for the Year Ended 30 June 2026

Asset Revaluation Reserve

The Asset Revaluation reserve consists of the following;

	2026	2025
	$	$
Valuation increments on Flats (8) - North Adelaide	1,814,605	2,507,355
Valuation increments on Office building and land - North Adelaide	6,623,871	3,483,871
Total	**8,438,476**	**5,991,226**

Other Reserves

	2026	2025
	$	$
Capital Reserve	85,102,871	81,821,261
Investment revaluation reserve	(3,994,777)	-
Donations Reserve	1,274,703	1,259,461
In Memoriam Donations Reserve	224,509	215,587
LLL Church Worker Support Fund Reserve	570,272	570,272
Legacies Reserve	27,615,609	27,615,609
LLL ALWS Support Fund Reserve	2,018,410	2,018,410
LLL Local Mission Support Fund Reserve	1,455,740	1,455,716
LLL Lutheran Media Support Fund Reserve	130,001	130,001
LLL Ministry Support Fund Reserve	650,569	75,666
LLL International Mission Support Fund Reserve	149,804	149,804
LLL Training and Development Support Fund Reserve	53,231	53,231
LLL Special Purposes Fund Reserve	7,688,119	11,008,045
LLL Child, Youth & Family Support Fund Reserve	8,167	8,167
Total	**122,947,228**	**126,381,231**
Total reserves	**131,385,704**	**132,372,456**

Unrecognised Items

Note 27 Contingent Liabilities and Credit Commitments

As at the reporting date, the Company had approved credit facilities that were not as yet drawn and loans with line or credit or redraw facility available. This included standard principal and interest loan facilities that were authorised but not advanced.

	2026	2025
	$	$
Loan commitments		
Loans approved but not yet advanced	101,019,962	80,067,159
Loans with redraw available	70,100,263	26,277,701
Line of credit available	19,360,460	14,326,761
Total loan commitments	190,480,685	120,671,621

Notes to the Financial Statements for the Year Ended 30 June 2026

Other Disclosures

Note 28 Notes to the Statement of Cash Flows

Reconciliation of cash flows from operating activities with net surplus

	2026	2025
	$	$
Surplus from operations	**6,810,450**	**2,211,896**
Non cash flows in surplus		
Amortisation of intangible assets	346,480	207,255
Depreciation	87,302	91,096
Impairment (release) charge on loans and investments	(80,000)	(74,000)
Intangible assets expensed	-	43,850
Net (Profit) on sale of non-current assets	(1,865)	-
Net (Profit) on sale of Debt instruments	(1,358,168)	-
Net (Profit) / loss on FV of equities	(152,646)	
Change in assets and liabilities		
Increase in trade payables and accruals	1,373,188	(1,509,474)
Increase (Decrease) in provisions	75,040	52,915
Decrease (Increase) in accrued interest receivables	(127,333)	(1,604,800)
Increase in accrued interest payable	(1,078,042)	(564,344)
Net (Increase) in loan facilities	(429,286)	17,116,632
Net (Decrease) in payables – interest bearing	(43,499,392)	(176,289,262)
Total	**(38,034,272)**	**(160,318,236)**

Reconciliation of Cash

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

	2026	2025
	$	$
Cash at bank and at call	42,196,393	106,987,053
Total	**42,196,393**	**106,987,053**

Cash includes cash at bank and on hand and deposits held at-call with banks.

Note 29 Related Party Disclosures

Remuneration of Key Management Personnel

The Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company. Control is the power to govern the financial and operating policies of the Company so as to obtain benefits from its activities.

Key management personnel comprise the 7 (2025: 9) Directors of the Company, the Chief Executive Officer and five Executive Staff (noting one resigned during the year). The aggregate compensation of KMP during the year comprising amounts paid or payable or provided for, but excluding out of pocket expense reimbursements, was as follows:

	2026	2025
	$	$
Key Management Personnel Compensation		
- short term employee benefits	2,641,609	2,726,640
Total	**2,641,609**	**2,726,640**

Notes to the Financial Statements for the Year Ended 30 June 2026

Investments held by Key Management Personnel

	2026	2025
	$	$
Total value of investments from Key Management Personnel	830,964	824,614
Total	**830,964**	**824,614**
Total interest paid on investments	**34,510**	**31,930**

Other related parties

The LCANZ and its related entities are related parties of the Company.

	2026	2025
	$	$
Loan balances outstanding - LCANZ and related parties	243,843,745	244,718,035
Total	**243,843,745**	**244,718,035**
Total interest received on loans	**10,626,601**	**12,845,622**

The above represents outstanding loans made to the LCANZ and its related entities together with interest received and accrued on those loans for the financial year ended 30 June 2026.

	2026	2025
	$	$
Total value of investments from the LCANZ and its related entities	444,883,399	455,691,644
Total	**444,883,399**	**455,691,644**
Total interest paid on investments	**13,631,404**	**16,647,972**

The above represents total investments from the LCANZ and its related entities together with interest paid and accrued on those investments for the financial year ended 30 June 2026.

Note 30 Auditor's Remuneration

	2026	2025
	$	$
Remuneration of the audit firm		
Nexia Edwards Marshall		
Auditing the financial report	145,640	147,950
Total	**145,640**	**147,950**

Notes to the Financial Statements for the Year Ended 30 June 2026

Note 31 Subsequent events

In the opinion of the Directors, since the end of the financial year to date of this report, there are no matters or circumstances that have arisen that significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Note 32 Entity Details

The registered office of the Company is:

Lutheran Laypeople's League of Australia Limited
175 Archer Street
North Adelaide SA 5006

The principal place of business is:

Lutheran Laypeople's League of Australia Limited
175 Archer Street
North Adelaide SA 5006

Notes to the Financial Statements for the Year Ended 30 June 2026

Directors' Declaration

In the Directors' opinion

a. The financial statements and notes, as set out on pages 26 to 69 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001 including:

   i. giving a true and fair view of the financial position of the Entity as at 30 June 2026 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, Australian Charities and Not-for-profits Commission Regulations 2022.

b. there are reasonable grounds to believe that Lutheran Laypeople's League of Australia Limited is able to pay all its debts, as and when they fall due and payable.

Signed in accordance with subsection 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulations 2022 and a resolution of the Directors.

For and on behalf of the Board by:

Steven Podlich
Director, Chair

David Kalisch
Director, Vice Chair

Dated the 17th day of September 2026

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTHERAN LAYPEOPLE'S LEAGUE OF AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Lutheran Laypeople's League of Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of income and expenditure and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

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

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

Advisory. Tax. Audit.

Nexia Edwards Marshall (ABN 38 238 591 759) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTHERAN LAYPEOPLE'S LEAGUE OF AUSTRALIA LIMITED (CONT)

Other information (cont)

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibility for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Advisory. Tax. Audit.

Nexia Edwards Marshall (ABN 38 238 591 759) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTHERAN LAYPEOPLE'S LEAGUE OF AUSTRALIA LIMITED (CONT)

Auditor's responsibility for the audit of the financial report (cont)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Nexia Edwards Marshall
Chartered Accountants

Jamie Dreckow
Partner

Adelaide
South Australia

17 September 2026

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Annual Report

For the year ended 30 June 2026

Finance with a mission

Lutheran Laypeople's League Of Australia Limited

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