

# Language Loop

ANNUAL REPORT

22



23



# Acknowledgements

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

Our offices are located on the lands of the Kulin Nation in NAARM.

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



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Language  
Loop

## Turning Words into Possibilities

VITS LanguageLoop Began in 1975 as the Ethnic Affairs Commission. From there, we became known as VITS or the Victorian Interpreting and Translating Service. Over 9 years ago, we expanded our service nationwide and became LanguageLoop. Our experience has given us the right balance of language skills, technology, innovation and process to serve the community in any language, wherever they are.





**“I LOVE  
LANGUAGELOOP  
AS IT IS A BIG  
FAMILY  
SUPPORTING  
INTERPRETERS &  
TRANSLATORS”**

**-Guo-qiang Liu (Mandarin)**

**LanguageLoop End-of-Year  
Celebration**

Melbourne, December 2022



# Who We Are

LanguageLoop is at the forefront of the delivery of high-quality interpreting and translation services. Our clear vision, mission, and corporate values, underpinned by our public sector ethos, guide our strategic direction and operational decision-making.

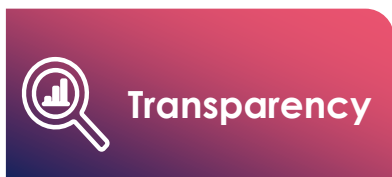
## Our Vision

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

## Our Mission

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

## Our Values



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



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



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



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



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



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

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



# Chair's Report

Professor Kathy Laster AM | She/Her | Chair

**It's been a good year for VITS LanguageLoop. The Board's success in realigning the organisation with public sector values has proven to be good for business. Our public sector client base grew by 9.8% and our overall client profile by 2.7%, supported by a 6.0% increase in our workforce.**

After a comprehensive search, the Board was delighted to appoint Emiliano Zucchi as our new CEO. Emiliano is highly respected in language services as well as across the wider multicultural sector. Even in the short time Emiliano has been with us, he has introduced significant reforms to improve the quality of our offerings. Welcome Emiliano!

The Board also records its sincere thanks to outgoing Interim CEO, George Bisas, who returned to the organisation and steadied the ship at a time of great change. Along the way, George also managed to significantly improve many of our systems and processes.

Ultimately, our success depends upon the skills and dedication of our now 3,600-strong interpreter and translator workforce. Our interpreters always step up when we need them the most, certainly throughout COVID, but last year, on very short notice, to support diverse communities affected by the regional floods. In their day-to-day work, our interpreters help people with limited English proficiency navigate some of the most stressful life events including in hospitals, courts, police stations and shelters.

As the leading language service provider, our aim to set the quality benchmark for the whole sector, including the remuneration, conditions of work, and professional development of language workers. To that end, we have been actively engaged in consultations and advocacy, including in the Fair Work Commission, about industrial relations reforms to benefit language workers in Victoria and nationally.

The successes of the previous year though, shouldn't obscure the challenges ahead. Like other industries, the convergence of technology—especially AI—and the globalisation of labour are, in the near future, likely to disrupt traditional models of interpreting and translation. The challenge for the Board this year and in the intermediate term, is to capitalize on the opportunities afforded by the dynamic environment while ensuring that we remain sustainable.

I thank my Board colleagues for their commitment and expert contribution to the good governance of VITS LanguageLoop. I acknowledge the significant contribution of Dr. Michális Michael, who resigned from the Board in February of this year.

Together with the management and staff of VITS LanguageLoop, we are proud of our reputation as a model language service provider, supporting equal participation and access for people with limited English proficiency for all aspects of a diverse Australian society.



# CEO's Report



Emiliano Zucchi | He/Him | Chief Executive Officer

**The fiscal year 2021-2022 has been one of transformation and substantial growth. Identifying an effective employment model and readying the organisation for transition to it, necessitated upgrading our infrastructure including HR, financial and booking systems.**

We also improved efficiency to help meet the additional costs of the shift to a new employment model. The organisation was restructured with a refreshed senior leadership team.

Notwithstanding the significant change program over the last year, we recorded a very strong trading result of \$27.8 million (even allowing for some abnormal revenue items).

The pleasing result reflects the close collaboration between the Board, leadership team, and staff to provide a cost-effective, competitive, and high-quality service.

An active engagement program saw a number of Victorian government clients return to VITS LanguageLoop. An expanded client base contributed to a 26% increase in demand for face-to-face interpreting.

We also delivered expert translation services to the public, private, and community sectors. Over the last three years, a significant portion of our translation work was COVID-related, Understandably, these projects have declined; however, the overall volume of translations (about 5 million words) has remained steady.

Looking ahead we are working on refining our data reports and setting new KPIs to improve our services further. We have introduced a Quality Improvement Committee, which will oversee all our projects and respond to any issues arising or feedback through measurable strategies.

As the new CEO, I thank Professor Kathy Laster AM, the Chair of VITS LanguageLoop, for her astute leadership and unwavering support as I settled into this exciting new role. Board members have been unfailingly generous with their time and guidance. I thank my predecessor, George Bisas, for the impressive achievements during his tenure. I depend on my talented Leadership Team—Leanne Conrad, Frans Moens, John Antonopoulos, Selva Arulraj, Lisa McCarthy, Nardia Vescovi-Diss, and Team Leaders Katarina Fischer and Asad Mobani. Together, they have worked hard to enable the organisation to deliver outstanding services to our clients. Special thanks to my indispensable EA, Julie Paxton, and our outstanding head office staff, who always go above and beyond in meeting the needs of our clients.

Lastly, my deepest respect and appreciation to our exceptional interpreters and translators whose dedicated work changes lives every day.

# VITS LanguageLoop Board of Directors



**Prof. Kathy Laster AM**  
Board Chair

Professor Kathy Laster AM was appointed Chair of VITS LanguageLoop in November 2020. She is the former director of Victoria University's Sir Zelman Cowen Centre which specialises in law and cultural diversity. Kathy's career includes senior leadership roles in law and law reform, public policy and academe. She is co-author of the leading text, "Interpreters and the Legal System" and is an acknowledged national and international thought leader in access to justice, multiculturalism and social inclusion. In 2022 Kathy was honoured with an AM for her 'significant service to law and to legal advisory bodies'.



**Michael Martinez**  
Board Deputy Chair

Michael currently works as a Project Manager in Geelong with over 25 years experience working with multicultural communities and refugees in the Barwon region. Michael was appointed as VITS LanguageLoop's Deputy Chair in April 2021. He is also Chair of VITS LanguageLoop's People, Culture and Quality Committee.



**Joseph Haweil**  
Board Member

Joseph Haweil has significant government, community and multicultural affairs sector experience. In 2016 he was elected to Hume City Council, one of Victoria's largest and most diverse growth municipalities, and is currently serving his second term as a Councillor and Mayor.



**Draga Jevtic**  
Board Member

Draga is an endorsed organisational and counselling psychologist with almost 30 years experience in clinical governance, strategy, and leadership in public, commercial and large organisational environments. She is a Graduate of the Australian Institute of Company Directors (GAICD) with extensive NFP and Government board experience in the health and community sectors. Furthermore, Draga has lived experience in being an interpreter and has worked with interpreter and translators in a range of contexts.



# VITS LanguageLoop Board of Directors



**Noble Tabe**  
Board Member

With extensive senior executive experience within the Victorian public sector, Noble has a track record of achievement in leading policy development, service design, service operations, and the implementation of key government initiatives in the disability and human services sectors.



**Dr. Eva Tsahuridu**  
Board Member

Dr. Eva Tsahuridu is an organisational ethics and governance specialist, board director and advisor with executive experience in public, private and not-for-profit organisations in Australia and abroad. She has published extensively in organisational ethics, governance and integrity infrastructures. Eva is the Chair of VITS LanguageLoop's Audit and Risk Committee.



**Isabella Villani**  
Board Member

Isabella was appointed to the VITS LanguageLoop Board in April 2021. With over 20 years' experience at the forefront of customer experience (CX), Isabella is a thought leader in strategy, marketing, CX, employee engagement and organizational transformation. Isabella is Chair of VITS LanguageLoop's Transition and Innovation Committee and sits on the Audit and Risk Committee.



**Dr. Michális Michael**  
Board Member

Dr Michális S. Michael was appointed to VITS LanguageLoop's Board in November 2020. He is the Electric Vehicles Officer at the Australian Manufacturing Workers' Union (AMWU) Victoria Branch, an Adjunct Senior Research Fellow at La Trobe University, and Director of the Centre for Dialogue-Global Reconciliation. Dr Michael resigned from the board in February 2023.



**“AN AUSTRALIAN SOCIETY  
WHERE INTERSECTING FORMS OF  
DIVERSITY ARE VALUED, AND  
LANGUAGE IS NO BARRIER TO  
FULL AND EQUAL PARTICIPATION  
FOR ALL.”**

**-LANGUAGELOOP VISION**

**Professor Kathy Laster AM, Chair & The Hon. Colin Brooks,  
Minister for Multicultural Affairs  
Melbourne, December 2022**



# Good Governance

VITS LanguageLoop is committed to delivering excellent service and value to our customers and stakeholders. VITS LanguageLoop has embedded sound business practices and governance principles to achieve commercial success and meet our obligations as a Government Business Enterprise.

## Governance

VITS LanguageLoop is led by eight independent Board members appointed by the government and required to meet dual reporting obligations to the Minister for Multicultural Affairs and the Treasurer.

Our Board of Directors is supported by three sub-committees: the Audit and Risk Committee; the People, Culture and Quality Committee; and the Transition and Innovation Committee.

These committees oversee the following:

- Strategic Planning
- Risk management and compliance
- Financial management and reporting
- CEO performance
- Organisational Culture



LanguageLoop Board with George Bisas and the Hon. Colin Brooks, Minister for Multicultural Affairs

### Audit & Risk Committee

Met 4 times in 2022/2023

Dr. Eva Tsahuridu (Chair)      Joseph Haweil

Isabella Villani      Michalis Michael

Professor Kathy Laster AM      Ram Subramanian

### People, Culture, & Quality Committee

Met 4 times in 2022/2023

Michael Martinez (Chair)      Draga Jevtic

Noble Tabe      Professor Kathy Laster AM

### Transition & Innovation Committee

Did not meet in 2022-2023

Isabella Villani (Chair)      Michael Martinez

Eva Tsahuridu      Professor Kathy Laster AM

Name	Term	Board eligible to attend	Board Meetings
Professor Kathy Laster AM, Chair	5 Nov 2020-22 May 2024	8	8
Michael Martinez, Deputy Chair	5 Nov 2020- 23 April 2024	8	7
Draga Jevtic	5 Aug 2021-4 Aug 2023	8	8
Noble Tabe	27 Apr 2021-23 Apr 2024	8	7
Isabella Villani	27 Apr 2021-23 Apr 2024	8	6
Joseph Haweil	27 Apr 2021-23 Apr 2024	8	8
Eva Tsahuridu	27 Apr 2021-23 Apr 2024	8	8
Michalis Michael	5 Nov 2020 – 6 Feb 2023	5	1

# Leadership Team

The organisation implemented a major change in its leadership structure in the 2022/23 financial year. The objective was to create a team that was better equipped to meet and respond to the challenges ahead.





# Our Workforce

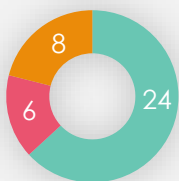


Australia is the second most culturally diverse country in the world. VITS LanguageLoop had 38 staff members and over 3600+ language professionals in 22/23.

Our workforce of Interpreters and translators comes from all around the world. In addition, our head office staff comes from over 23 different countries, and some, of course, from Australia.

## HEAD OFFICE STAFF

### Employment Status



- Full time 63%
- Part time 15%
- Casual 16%

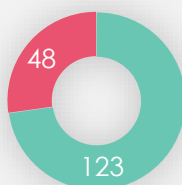


## LANGUAGE PROFESSIONALS

### Recruitment 22/23

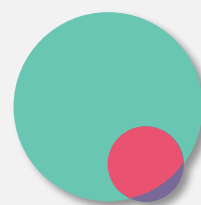
Victoria	126
Queensland	16
Other States	27
<b>Total</b>	<b>169</b>

### Recruitment by Gender



- Female 73%
- Male 27%

### Total Language Professionals

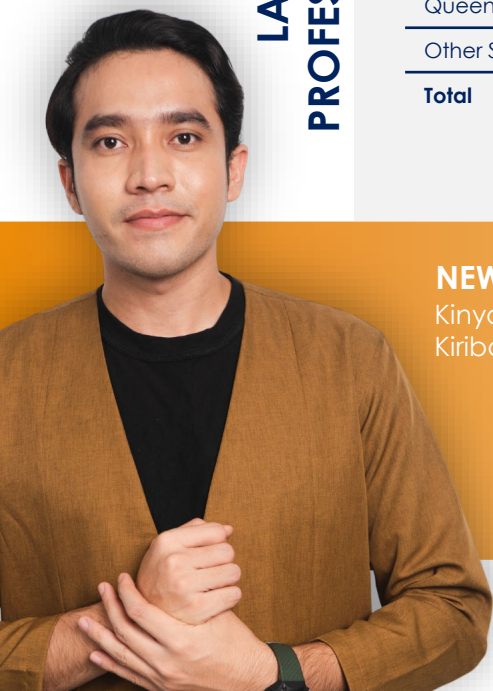


2437 Interpreters  
195 Translators  
1009 are both

**3641 Total**

### NEW LANGUAGES 22/23

Kinyabwisha- 1  
Kiribati-2



# Language Professionals

## Pathway to NAATI Certification

**VITS LanguageLoop maintains a clear objective to provide NAATI-credentialed interpreters for the overwhelming majority of its booked assignments.**

As we transition to a secure employment model where NAATI certification will be required for engagement with the agency, we continue to support non-credentialed Interpreters to complete the RMIT Skills Set course, which leads to NAATI recognition.

Building on last year's program, more than 100 non-credentialed interpreters have been enrolled.

Once enrolled, students participate in 10 sessions over 10 weeks. LanguageLoop also supports their first NAATI certification fee.

We will continue to deliver the program in the next financial year and appreciate the Department of Family, Fairness and Housing funding.



**"I am so grateful to LanguageLoop for this opportunity"**

-Siti Syakirah Ismail, Malay Recognised Interpreter

## RMIT Legal Interpreting Course

**As part of our Innovation and Research Fund VITS LanguageLoop funded a mentorship program with RMIT for interpreters in Court and Tribunal settings speaking languages from new and emerging communities.**

The objective was to advance interpreting quality within these communities in important legal settings. The program's very positive outcome was developing a legal interpreting course at RMIT. The course aims to develop and refresh the Interpreter's understanding of legal interpreting and the contexts in which the service is required.



### Telephone Interpreting and Video Conference Interpreting

We deliver regular training for our workforce in Telephone and Video Conference Interpreting. This helps NAATI Certified Language Professionals earn Professional Development points.

# Highlights

## LANGUAGES



**175**

Languages interpreted



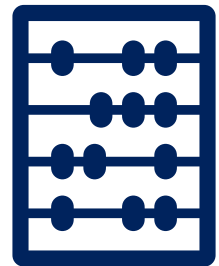
**2**

languages interpreted for the first time



**35**

First Nations languages



**\$27.8m**

Total Sales Revenue 22/23

## PEOPLE



**430,000+**

people assisted



**3600+**

Registered language professionals



**180**

New language professionals



**300**

Non-accredited interpreters invited to training

## SERVICES



**155,000+**

On-site interpreting assignments



**260,000+**

Telephone interpreting assignments



**10,000+**

Video conference interpreting assignments



**4.9m+**

Words translated

# On-Site Interpreting

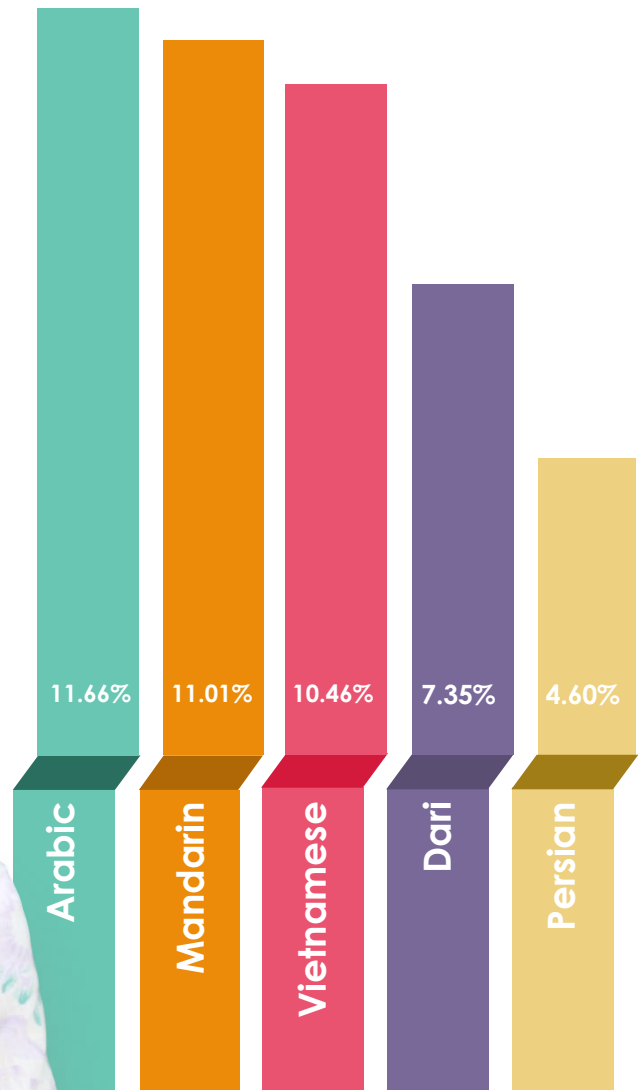
**Demand for onsite interpreting increased significantly during the 2022/23 financial year. This was largely due to two factors:**

- There was a major shift to telephone and video interpreting away from face-to-face assignments during the COVID pandemic in Australia. As that threat began to subside, demand shifted back to face-to-face interpreting, impacting our onsite and telephone interpreting demand.
- As an organisation, our efforts were successful in attracting more work from the Victorian Government, which is mainly onsite work.

We delivered more than 155,000 onsite assignments, a 25% increase compared to the previous financial year.

In terms of languages requested, Arabic, Mandarin, and Vietnamese were our top three requested languages making up 33% of all requests.

VITS LanguageLoop continues to promote and advocate for the most appropriate mode of delivery of interpreting services, particularly in key service areas such as health and access to justice.





# Supporting Communities in Crisis



*LanguageLoop Interpreters with Victorian Premier Dan Andrews serving those flood affected in Shepparton, Victoria.*

**Much has been said about the unprecedented flooding in regional Victoria over the last 12 months. Communication, critical at times of crisis, becomes the difference between victims who can access resources and those who cannot.**

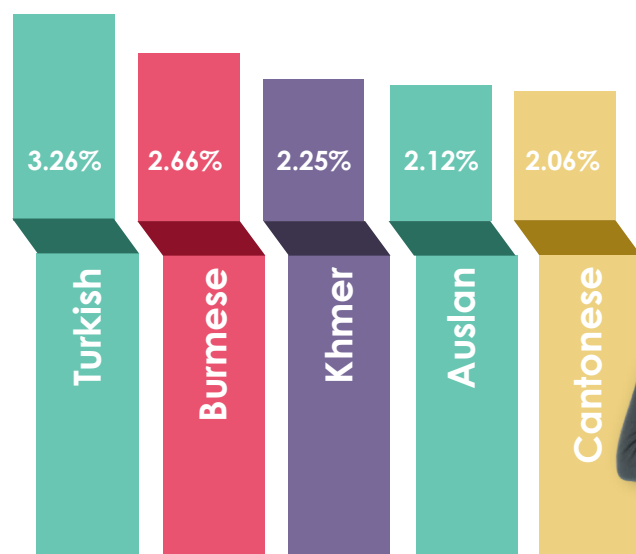
For culturally and linguistically diverse families, Interpreters provide the connection to the information they needed during the crisis and after the water recedes.

LanguageLoop Interpreters across five languages were at the Shepparton Relief Centre to help those severely affected by the floods.

Interpreters put their own lives on hold, travelled to a flood-ravaged area, and spent up to 10 days at a time working with local families. This vital service allowed questions to be answered and assistance received in languages the local multicultural communities preferred. It also helped begin the long path back to some normal life for the victims of the flooding.

The service provided by LanguageLoop Interpreters is business as usual. Interpreters are present when needed in hospitals, emergencies, and police stations at all hours, all year long.

When the Victorian community is affected by such an emergency, LanguageLoop is the "go to" language services provider for Victorian Government departments and agencies.



# Telephone Interpreting

Australia has led the world in the development and delivery of telephone interpreting. The distances across Australia necessitated this mode of delivery for interpreting across our diverse communities.

The last 12 months saw the most important change in over a decade to the technology that supports our telephone interpreting. VITS LanguageLoop was experiencing major limitations in handling the increased call volume. We moved to a state-of-the-art cloud-based solution with comprehensive interactive voice response, transforming the customer experience.

Demand for telephone interpreting remained strong. However, a shift from a COVID period reliance on this type of remote interpreting dropped in favour of face-to-face interpreting. We delivered over 260,000 telephone interpreting assignments but saw an 11% decrease in demand compared to last year.

260K+  
Assignments

The top three languages Mandarin, Arabic and Vietnamese represented over 50% of all telephone interpreting work.

## TOP 10 LANGUAGES

MANDARIN	25.57%
ARABIC	18.52%
VIETNAMESE	10.22%
DARI	4.87%
PERSIAN	4.33%
CANTONESE	4.13%
TURKISH	2.08%
SPANISH	2.01%
KOREAN	1.96%
BURMESE	1.87%



# Translations Services

We continued to provide high-quality translations across the public, private and not-for-profit sectors. A significant amount of our work in recent years has been related to COVID. However, this year, this was not the case. Despite the change, the total number of words translated this year remained consistent with the previous financial year at around 5 million.

Internally, we undertook a transformation of the team and its operations. We broadened and enhanced staff skills, streamlined and improved internal systems and leveraged a better use of technology.

The top 10 languages requested for translations were the same as last year, with simplified Chinese, Arabic and Vietnamese remaining the top three languages translated, representing almost 30% of all work undertaken.

The image shows three promotional posters for the \$250 Power Saving Bonus. Each poster features a lightbulb icon and the amount '\$250'. The posters are in English, Chinese, and Persian. The English poster includes the text: 'Talk to us today to claim the new \$250 Power Saving Bonus. Every Victorian household can now access a new \$250 Power Saving Bonus. The new round of the Victorian Government's \$250 Power Saving Bonus began on Friday, 24 March 2023. Ethnic Communities' Council of Victoria (ECCV) can help you apply for the payment. Our team can support you in your language. How can I claim the \$250 Power Saving Bonus? Contact us today so we can help you apply. You will need a recent copy of your electricity bill. • Call us on 0466 038 261 • Email us at psb@eccv.org.au Register your interest and find out more at www.eccv.org.au/power-saving-bonus'. The Chinese poster includes: '今天就联系我们申请新的 \$250 澳元节能奖励。每一个维多利亚家庭现在都有机会申请新的 \$250 澳元节能奖励。新一轮的维多利亚政府 \$250 澳元节能奖励从 2023 年 3 月 24 日周五开始发放。维多利亚州族裔社区议会 (ECCV) 可以协助您申请这项奖励。我们团队可以为您提供中文支持。我如何申请 \$250 澳元的节能奖励? 今天就与我们联系, 让我们协助您申请。您需要提供一份近期的电费账单。• 请致电 0466 038 261 联系我们 • 电子邮件: psb@eccv.org.au 前往以下网页登记您的意向和查询更多信息: www.eccv.org.au/power-saving-bonus'. The Persian poster includes: 'همین امروز با ما صحبت کنید تا پاداش جدید صرفه جویی انرژی 250 دلاری. اکنون هر خانواده ویکتوریایی می تواند به یک پاداش جدید صرفه جویی انرژی 250 دلاری دسترسی داشته باشد. دور جدید پاداش 250 دلاری دولت ویکتوریا در روز جمعه 24 مارچ 2023 آغاز شد. شورای جوامع قومی ویکتوریا (ECCV) می تواند به شما کمک کند برای این پرداخت درخواست بخوید. تیم ما می تواند شما را در زبان خود شما کمک کند. چگونه می توانم این پاداش 250 دلاری صرفه جویی در انرژی را مطالبه کنم? همین امروز با ما تماس بگیرید تا بتوانیم به شما در درخواست داری کمک کنیم. شما باید یک کپی از قبضه انرژی خودتان را داشته باشید. • به ما یا شماره 0466 038 261 تماس بگیرید • به ما ایمیل بفرستید: psb@eccv.org.au علاوه بندی خود را ثبت کنید و در www.eccv.org.au/power-saving-bonus اطلاعات بیشتری کسب کنید'. Each poster also features the ECCV and Victorian Government logos.

## TOP 10 LANGUAGES

VIETNAMESE	19%
MANDARIN	19%
ARABIC	16%
PERSIAN	8%
GREEK	7%
PUNJABI	7%
HINDI	7%
ITALIAN	6%
DARI	6%
CANTONESE	6%

Over 4.9 million words translated



# Introducing World-Leading Technology

**LanguageLoop is one of Australia's leading full-service language providers that delivers essential translation and interpreting services to customers across Government and key industries.**

Our call volume has increased markedly, particularly over the COVID pandemic when more work was undertaken remotely.

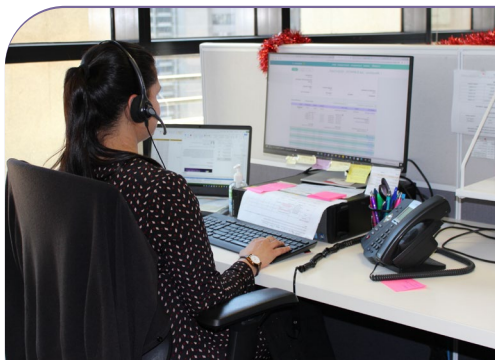
The agency was experiencing significant limitations in handling the required call volume and needed to move to a flexible cloud-based solution with comprehensive interactive voice response (IVR) services. LanguageLoop engaged NICE to transform the customer experience and unify its operations with CXone. We went live this financial year.

The new system is the ideal solution for LanguageLoop. It delivers a mature and intuitive cloud-native solution that can be fully automated to deliver a streamlined service to connect customers with contracted interpreters in mission and life-critical events. It combines all the individual pieces of the LanguageLoop contact centre into a more connected solution that delivers greater efficiencies for the organisation. With the support of seamless IVR workflows, it empowers LanguageLoop to transcend language barriers and better support its customers in times of great need.

The easy-to-use interface also allows LanguageLoop to make direct and rapid changes to its solution without additional technical support. The LanguageLoop team can make changes, test, and deploy within short timeframes to ensure seamless experiences for its customers. CXone also provides essential monitoring and reporting services for LanguageLoop's customer service officers, which helps to ensure greater quality control over its interpreting and translating services.

This transition has allowed the agency to remain at the forefront of technology in the delivery of its services.

**LanguageLoop was awarded the 2023 CX Excellence Award.**



“The easy-to-use interface allows LanguageLoop to make direct and rapid changes”



# Training

LanguageLoop provides a variety of training to our workforce and for clients to learn how to work effectively with interpreters. Learning to work with language professionals enhances communication and showcases a commitment to valuing diversity, promoting multiculturalism and ensuring equitable access to services.

This year, we've expanded our training and have delivered for the City of Melbourne, the Victorian Mental Health Tribunal, NorthEast Health Wangaratta, and WIRE, and continued work with The Orange Door. Our courses cover best practices, an understanding of the training required to become an Interpreter, preparing documents for translation, troubleshooting and feedback. Our customised courses are delivered at the client's convenience, either in-person or online.

“Engaging content with plenty of interactive exercises- was overall very informative.”

- Training participant November 2022

65+

Net Promoter Score

#### What is NPS?

It's short for Net Promoter Score and it's a way to gauge how loyal a group is to a particular service or company. The scores range from -100 to +100, with higher scores being the ultimate goal.

**NPS Scores of 30+ are considered above average.**



# Supporting Community Through

We were proud to continue our long association with the ECCV and this event to sponsor the 10th Annual Walter Lippmann Memorial Oration at the Wheeler Centre on Thursday, 13 October 2022.

The speaker was Hon. Tony Pagone AM KC, a former judge of the Federal Court of Australia. LanguageLoop has been a supporter of this event since its inception.

Walter Lippmann Oration

October 2022



2022



LanguageLoop sponsored the AUSIT National Conference held at the University of Queensland in November 2022.

The most important event on the calendar of the language services industry, the conference's theme was '*Rebuild and Belong: Evolution, Transformation and Growth*'. It aimed to provide the industry with an opportunity to discuss practical and theoretical issues relating to the translation & interpreting profession across various areas, focusing on rebuilding and reconnecting after two long years of dealing with the disruption of the COVID-19 pandemic.

VITS LanguageLoop was keen to support the Australian Institute of Interpreters and Translators (AUSIT), which provides the translation and interpreting community with a professional organisation to promote the profession, improve the profile of translators and interpreters in the community and raise standards through professional development and the adoption of the AUSIT Code of Ethics.

AUSIT National Conference

November 2022

2023

# Sponsorship

## February 2023

### AUSIT Linguists in the Law

AUSIT President J. Angelo Berbotto facilitated new professional development training for Interpreters called "The Linguist in the Law". LanguageLoop proudly sponsored this engaging session.

George Bisas, Interim CEO of LanguageLoop, kicked off the session before handing it over to Angelo. The session highlighted practical examples of dilemmas in a legal setting and an interactive forum to develop ethical and practical solutions.

### Customer Contact Week

Implementing the new CX1 telephony system has enhanced our ability to deliver this service, and it is now worth actively promoting this service across Australia.

We sponsored Customer Contact Week on the Gold Coast in March 2023. Partnering with our telephone technology provider, NICE, to promote our service, our advanced technology, and its benefits for remote interpreting contact centres.

## June 2023

### Refugee Week

On June 20<sup>th</sup> the Refugee Awards were held. These awards aim to celebrate the achievements of Victorians with refugee or asylum seeker backgrounds.

## March 2023



### Cultural Diversity Week

## March 2023

The Melbourne Convention Centre was the site of the 2023 Victorian Multicultural Commission Gala, The colourful event started with local multicultural entertainment, including performances by First Nations artists and dance troupes from India, Africa and Ukraine, among others.

VITS LanguageLoop was proud to sponsor a multicultural health symposium, the 'A Culture of Care 2023' event in Brisbane on 25 and 26 May.

We were keen to ensure the importance of quality interpreting services was highlighted as a key part of providing culturally responsive healthcare that respects and recognises the unique needs of each individual patient and their family. VITS LanguageLoop was also a sponsor of a key session - Communication | Innovation Healthcare | Access to Healthcare

### Brisbane Health Symposium



## May 2023

# Languages


ACHOLI	CHAD	COMOREAN	FRENCH	IBO
AFAR	CHALDEAN	CONGOLESE	FUJIAN	ICELANDIC
AFRIKAANS	CHEWA	CREOLE	FULIRU	IGBO
AKAN	CHICHEWA	CROATIAN	FUR	ILOCANO
ALBANIAN	CHIN	CZECH	FUZHOU	ILONGGO
AMHARIC	CHIN (FALAM)	DAGBANI	GA	INDONESIAN
ANUAK	CHIN (HAKHA)	DANISH	GAELIC	ITALIAN
ARABIC	CHIN (KUKI)	DARI	GAN	JAPANESE
ARMENIAN	CHIN (LAI)	DINKA	GEORGIAN	JUBA ARABIC
ASSYRIAN	CHIN (LAUTU)	DUTCH	GERMAN	KACHIN
AUSLAN	CHIN (MARA)	DZONGKHA	GREEK	KANNADA
AZERBAIJANI	CHIN (MATU)	ENGLISH	GUJARATI	KAREN
BARI	CHIN (MINDAT)	ESTONIAN	HAKKA CHINESE	KAREN (PWO)
BENGALI	CHIN (MIZO)	EWE	HARARIC	KAREN (S'GAW)
BISLAMA	CHIN (SENTHANG)	FANTI	HAZARAGI	KARENNI
BOSNIAN	CHIN (TEDIM)	FAROESE (FAROE ISLANDS)	HEBREW	KAYAH
BRAILLE	CHIN (THADO)	FIJI HINDI	HINDI	KAZAKH
BULGARIAN	CHIN (ZO)	FIJIAN	HINGLISH	KHMER
BURMESE	CHIN (ZOMI)	FILIPINO	HMONG	KIBEMBE
CANTONESE	CHIN (ZOPHEI)	FINNISH	HOKKIEN	KIKUYU
CATALAN	CHIN (ZOTUNG)	FLEMISH	HUASA	KINYABWISHA
CEBUANO	CHINESE	FON	HUNGARIAN	KIRIBATI



# Languages



KIRUNDI	MALAY	PASHTO	SLOVAK	TIGRIGNA
KISSI	MALAYALAM	PERSIAN	SLOVENE	TOISHAN
KISWAHILI	MALTESE	PIDGIN ENGLISH	SOLOMON ISLANDS PIDGIN	TOK PISIN
KOREAN	MANDARIN	POLISH	SOMALI	TOKELAU
KRIO	MAORI (COOK ISLAND)	PORTUGUESE	SOUTH AZERBAIJANI	TONGAN
KURDISH	MAORI (NEW ZEALAND)	PUKAPUKAN	SPANISH	TRAINING
KURDISH (BAHDINI)	MARATHI	PUNJABI	SUDANESE	TURKISH
KURDISH (FEYLI)	MELANESIAN PIDGIN PNG	ROHINGYA	SUKUMA	TURKMEN
KURDISH (KURMANJI)	MENDE	ROMANIAN	SWAHILI	TUROYO
KURDISH (SORANI)	MINA	RUNYANKOLE	SWEDISH	TWI
LAOTIAN	MOLDAVIAN	RUSSIAN	SYLHETI	UKRAINIAN
LATIN	MONGOLIAN	RUTOORO	SYRIAC	URDU
LATVIAN	MONTENEGRIN	SAHO	TAIWANESE	UYGHUR
LIBERIAN ENGLISH	MORU	SAMOAN	TAJIK	UZBEK
LINGALA	MURLE	SANGO	TAMIL	VIETNAMESE
LISU	NAURUAN	SANSKRIT	TATAR	VISAYAN
LITHUANIAN	NEPALI	SERBIAN	TELUGU	WATCHI
LUGANDA	NKORE	SHANGHAINESE	TEOCHEW	YIDDISH
LUO	NORTH AZERBAIJANI	SHONA	TETUM	
MAAY	NORWEGIAN	SICHUANESE	THAI	
MACEDONIAN	NUER	SINDHI	TIBETAN	
MADINGO	OROMO	SINHALESE	TIGRE	



**OVER 3600  
LANGUAGE  
PROFESSIONALS  
ACROSS 190+  
LANGUAGES  
TURN WORDS  
INTO  
POSSIBILITIES.**

LanguageLoop Interpreter, Atef A Ibrahim (Arabic)  
Melbourne, December 2022



# LANGUAGELOOP 2022/2023

## Financial Statement

For the year ended 30 June 2023

Comprehensive operating statement

Balance sheet

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Cash flow statement

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Note 2 Funding delivery of our services

Note 3 Cost of delivering services

Note 4 Non financial assets

Note 5 Other assets and liabilities

Note 6 How we financed our operations

Note 7 Risk, contingencies and valuation judgements

Note 8 Other disclosures

Statement by Directors and Management

# VITS LanguageLoop's Financial Management Compliance Attestation Statement

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

Signed



**Professor Kathy Laster, AM**  
Chari Board of Directors  
VITS LanguageLoop

Language  
Loop

Date: 15 September 2023



# Independent Auditor's report



Victorian Auditor-General's Office

## Independent Auditor's Report

To the Board of LanguageLoop

<b>Opinion</b>	<p>I have audited the financial report of LanguageLoop (the authority) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2023</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• statement by directors and management.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other Information</b>	<p>The Board of the authority is responsible for the Other Information, which comprises the information in the authority's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

# Independent Auditor's report

**Auditor's responsibilities for the audit of the financial report**


As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE  
4 October 2023



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

# LANGUAGELOOP

## COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Continuing operations revenue and income from transactions</b>			
Sale of services	2.2	27,827,461	26,951,722
Interest income	2.1	99,890	-
Other income	2.1	729,440	45,896
<b>Total revenue and income from transactions</b>		<b>28,656,791</b>	<b>26,997,618</b>
<b>Expenses from transactions</b>			
Cost of services provided	3.2	20,257,332	18,861,529
Employee benefit expenses	3.3	4,053,434	5,070,292
Supplies and services	3.4	2,080,513	2,102,955
Depreciation and amortisation	4.1.2	549,989	618,783
<b>Total expenses from transactions</b>		<b>26,941,269</b>	<b>26,653,559</b>
<b>Net result from transactions (net operating balance)</b>		<b>1,715,522</b>	<b>344,060</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on financial instrument	8.1	(18,787)	-
Net gain/(loss) on the revaluation of long service leave liability		(42,595)	26,503
Net gain/(loss) on non-financial assets		-	(362,810)
<b>Total other economic flows included in net result</b>		<b>(61,382)</b>	<b>(336,307)</b>
<b>Net result from continuing operations</b>		<b>1,654,139</b>	<b>7,753</b>
<b>Comprehensive result</b>		<b>1,654,139</b>	<b>7,753</b>

# LANGUAGELOOP

## BALANCE SHEET

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash		5,796,348	4,368,847
Receivables	5.1	3,924,015	3,605,079
Prepayments		188,120	311,489
<b>Total financial assets</b>		<b>9,908,483</b>	<b>8,285,416</b>
<b>Non-financial assets</b>			
Infrastructure, plant and equipment	4.2	128,041	157,161
Intangible assets	4.3	1,198,237	1,379,633
Right of use assets	4.1.1	373,705	830,303
<b>Total non-financial assets</b>		<b>1,699,983</b>	<b>2,367,097</b>
<b>Total assets</b>		<b>11,608,467</b>	<b>10,652,513</b>
<b>Liabilities</b>			
Payables	5.2	1,507,540	1,610,277
Contract liabilities	5.3	346,434	326,407
Lease liabilities	6.1	421,776	909,588
Employee benefit provisions	3.3.1	376,195	471,310
Borrowings	6.1	-	32,549
<b>Total liabilities</b>		<b>2,651,945</b>	<b>3,350,131</b>
<b>Net assets</b>		<b>8,956,522</b>	<b>7,302,383</b>
<b>Equity</b>			
Contributed capital		400,000	400,000
Accumulated surplus/(deficit)		8,556,522	6,902,383
<b>Net worth</b>		<b>8,956,522</b>	<b>7,302,383</b>



# LANGUAGELOOP

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Surplus \$	Contributions by Owner \$	Total \$
Balance at 1 July 2021	6,894,630	400,000	7,294,630
Net result for the year	7,753	-	7,753
Dividends paid	-	-	-
<b>Balance at 30 June 2022</b>	<b>6,902,383</b>	<b>400,000</b>	<b>7,302,383</b>
Net result for the year	1,654,139	-	1,654,139
Dividends paid	-	-	-
<b>Balance at 30 June 2023</b>	<b>8,556,522</b>	<b>400,000</b>	<b>8,956,522</b>

# LANGUAGELOOP

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		28,179,610	27,144,842
Payments to suppliers & employees		(24,386,502)	(24,165,679)
GST paid to the ATO <sup>(a)</sup>		(2,121,724)	(2,009,956)
Interest received		99,890	-
Interest paid		(210)	(2,327)
<b>Net cash flows from/(used in) operating activities</b>	<b>6.3</b>	<b>1,771,064</b>	<b>966,881</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(25,145)	(21,418)
Payments for intangible assets		(126,803)	(687,964)
<b>Net cash flows from/(used in) investing activities</b>		<b>(151,948)</b>	<b>(709,382)</b>
<b>Cash flows from financing activities</b>			
Repayment of TCV Loan		(32,549)	(128,710)
Prepayment of principal portion of lease liability <sup>(b)</sup>		(159,066)	(279,189)
<b>Net cash flows from/(used in) financing activities</b>		<b>(191,616)</b>	<b>(407,899)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,427,501</b>	<b>(150,399)</b>
Cash and cash equivalents at beginning of financial year		<b>4,368,848</b>	<b>4,519,247</b>
<b>Cash and cash equivalents at end of financial year</b>		<b>5,796,348</b>	<b>4,368,848</b>

# LANGUAGELOOP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2023

#### Note 1 About this report

The financial statements cover LanguageLoop as an individual reporting entity. It's principal address is:

LanguageLoop  
Level 16, 607 Bourke Street  
Melbourne Vic 3000

#### State business corporation

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

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

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

#### Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act (FMA) and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Financial Reporting.

#### Basis of preparation

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

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

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

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

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

The financial statements are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### Note 2 Funding delivery of our services

##### Introduction

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

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

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

	Notes	2023 \$	2022 \$
Sales of service		27,827,461	26,951,722
Interest income		99,890	-
Other income		729,440	45,896
<b>Total revenue and income from transactions</b>		<b>28,656,791</b>	<b>26,997,618</b>

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

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

For contracts that permit the customer to return a service, revenue is recognised as outlined above as it is highly probable that a significant cumulative reversal will not occur. In the unlikely circumstances where a refund is required due to adverse quality of service it is measured at the original invoice value. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.3).

Interest income: Interest income is interest received on cash in bank.

Other income: Other income includes insurance settlement, Payroll tax credit and lease remeasurement.

##### 2.2 Sale of services

		2023 \$	2022 \$
Interpreting service		25,522,653	23,984,788
Translation service		2,289,308	2,952,471
Other		15,500	14,464
<b>Total sale of services</b>		<b>27,827,461</b>	<b>26,951,722</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 Cost of delivering services

Introduction

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

3.1 Expenses incurred in delivery of services

	Notes	2023 \$	2022 \$
Cost of services	3.2	20,257,332	18,861,529
Employee expenses	3.3	4,053,434	5,070,292
Supplies and services	3.4	2,080,513	2,102,955
<b>Total expenses incurred in delivery of services</b>		<b>26,391,280</b>	<b>26,034,776</b>

3.2 Cost of services provided

	2023 \$	2022 \$
Cost of interpreting	18,919,871	17,299,044
Cost of translating	1,337,461	1,562,484
<b>Total cost of services</b>	<b>20,257,332</b>	<b>18,861,529</b>

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

3.3 Employee benefit expenses in the comprehensive operating statement

	2023 \$	2022 \$
Salary, wages, annual leave and long service leave	3,728,417	4,707,787
Employer superannuation contribution	303,743	340,182
Staff training and development	21,274	22,323
<b>Total employee expenses</b>	<b>4,053,434</b>	<b>5,070,292</b>

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

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefit in exchange for the termination of employment. Termination benefits are recognised when LanguageLoop is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.3.1 Employee benefit provisions in the balance sheet

	2023 \$	2022 \$
Annual Leave		
Unconditional and expected to settle within 12 months	199,063	244,369
Long Service Leave		
Unconditional and expected to settle within 12 months	-	-
Unconditional and expected to settle after 12 months	73,747	77,691
	<u>272,810</u>	<u>322,060</u>
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	31,591	38,806
Unconditional and expected to settle after 12 months	11,704	12,337
	<u>43,295</u>	<u>51,143</u>
<b>Total current provisions for employee benefits</b>	<b>316,105</b>	<b>373,203</b>
<b>Non-Current Provisions</b>		
Long service leave	51,859	84,663
On-costs	8,230	13,444
<b>Total non-current provisions for employee benefits</b>	<b>60,089</b>	<b>98,107</b>
<b>Total provisions for employee benefits</b>	<b>376,195</b>	<b>471,310</b>

Reconciliation of movement in on-cost provision

2023	On-costs
<b>Opening balance</b>	64,587
Reduction arising from payments	(32,037)
Additional provision provided	18,974
<b>Closing balance</b>	<b>51,524</b>
Current	43,295
Non-current	8,230

Wages and salaries, annual leave and sick leave

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

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

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



# LANGUAGELOOP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

### ENDED 30 JUNE 2023

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

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

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

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

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

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

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

#### 3.3.2 Superannuation

Superannuation contributions paid or payable for the reporting period are included as part of employee expenses in the comprehensive operating statement.

The name and details of the major employee superannuation funds and contributions made thereto are as follows:

##### Contributions made:

Fund	Contributions	
	2023	2022
	\$	\$
Vic Super	46,666	31,093
Others	343,126	325,074
	<u>389,792</u>	<u>356,167</u>

#### 3.4 Supplies and services

	Notes	2023		2022	
		\$	\$	\$	\$
Computer expenses		1,038,779	876,218		
Communication expenses		140,072	134,402		
Utilities and property expenses		143,434	115,208		
Business promotion		151,152	155,856		
Board management fees		181,007	205,952		
Other administration expenses		426,069	615,318		
<b>Total supplies and services</b>		<b>2,080,513</b>	<b>2,102,955</b>		

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

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

#### Note 4 Non financial assets

##### 4.1 Infrastructure, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023	2022	2023	2022	2023	2022
Furniture and fittings	5,533	37,656	(4,160)	(34,944)	1,373	2,713
Office equipment	283,212	129,343	(244,694)	(103,884)	38,518	25,458
Leasehold improvement	332,779	332,779	(244,628)	(203,789)	88,151	128,990
<b>Net carrying amount</b>	<b>621,524</b>	<b>499,778</b>	<b>(493,482)</b>	<b>(342,617)</b>	<b>128,041</b>	<b>157,161</b>

##### 4.1.1 Total right-of-use assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023	2022	2023	2022	2023	2022
Buildings at fair value	1,370,090	1,618,568	(996,385)	(788,265)	373,705	830,303
<b>Net carrying amount</b>	<b>1,370,090</b>	<b>1,618,568</b>	<b>(996,385)</b>	<b>(788,265)</b>	<b>373,705</b>	<b>830,303</b>

Change for period		Building
<b>30-Jun-22</b>		
Balance at 1 July 2021		1,093,058
Additions		-
Disposals		-
Depreciation		(262,755)
<b>Balance at 30 June 2022</b>		<b>830,303</b>
<b>30-Jun-23</b>		
Balance at 1 July 2022		830,303
Additions		-
Disposals		(269,073)
Depreciation		(187,525)
<b>Balance at 30 June 2023</b>		<b>373,705</b>

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Initial recognition  
Items of infrastructure, plant and equipment are measured at cost.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

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

LanguageLoop recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred
- any estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset - Subsequent measurement

LanguageLoop depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluations.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

4.1.2 Depreciation and amortisation

Charge for the period	2023	2022
Furniture and fittings	(1,340)	(1,512)
Office equipment	(16,360)	(19,087)
Infrastructure	-	-
Leasehold improvement	(40,839)	(44,537)
Intangible assets (amortisation)	(303,924)	(290,892)
Right-of-use asset	(187,525)	(262,755)
<b>Total depreciation and amortisation</b>	<b>(549,989)</b>	<b>(618,783)</b>

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under assets held for sale, land and investment properties.

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

Asset	(years) Useful life
Furniture and fittings	5
Office equipment	3
Infrastructure	5
Leasehold improvement	8
Intangible produced	8
Right-of-use	7

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

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

4.2 Reconciliation of movements in carrying amounts of infrastructure, plant and equipment

	Furniture and Fittings	Office Equipment	Infrastructure	Leasehold Improvement	Total
Balance at 1 July 2021	4,224	23,128	89,393	173,527	290,272
Additions	-	21,418	-	-	21,418
Transfer out	-	-	(89,393)	-	(89,393)
Depreciation & amortisation	(1,512)	(19,087)	-	(44,537)	(65,136)
<b>Balance at 30 June 2022</b>	<b>2,713</b>	<b>25,458</b>	<b>-</b>	<b>128,990</b>	<b>157,161</b>
Balance at 1 July 2022	2,713	25,458	-	128,990	157,161
Additions	-	25,207	-	-	25,207
Disposals	-	(63)	-	-	(63)
Transfer in/out (b)	-	4,275	-	-	4,275
Depreciation & amortisation	(1,340)	(16,360)	-	(40,839)	(58,539)
<b>Balance at 30 June 2023</b>	<b>1,373</b>	<b>38,518</b>	<b>-</b>	<b>88,151</b>	<b>128,041</b>

Note:

(a) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material. The next scheduled full revaluation for this purpose group will be conducted in 2024.

(b) During the financial year 2023, LanguageLoop identified four IT tangible assets being classified as intangible assets in prior period. The impact on prior period was not material and therefore LanguageLoop transferred it out of intangible asset and into PPE in the current financial year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**4.3 Intangible assets**

	ERP system	Booking system	Videoloop	Data Warehouse	Telecommunication/IVR System	Total
Balance at 1 July 2021	63,535	838,597	353,847	-	-	1,255,979
Additions	-	305,527	-	91,489	290,947	687,963
Transfer in	-	-	-	89,393	-	89,393
Amortisation of intangible produced assets	-	(155,584)	(64,855)	(45,050)	-	(265,489)
Amortisation of intangible non-produced assets	(25,403)	-	-	-	-	(25,403)
Impairment losses charged to net result	-	(73,818)	(288,992)	-	-	(362,810)
<b>Balance at 30 June 2022</b>	<b>38,132</b>	<b>914,722</b>	<b>-</b>	<b>135,832</b>	<b>290,947</b>	<b>1,379,633</b>
Balance at 1 July 2022	38,132	914,722	-	135,832	290,947	1,379,633
Additions	-	-	-	16,170	110,633	126,803
Transfer in/out <sup>(a)</sup>	-	-	-	(4,275)	-	(4,275)
Amortisation of intangible produced assets	-	(174,419)	-	(69,001)	(37,056)	(280,476)
Amortisation of intangible non-produced assets	(23,448)	-	-	-	-	(23,448)
Impairment losses charged to net result	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>14,684</b>	<b>740,303</b>	<b>-</b>	<b>78,726</b>	<b>364,524</b>	<b>1,198,237</b>

Note:

(a) The consumption of intangible produced assets is included in 'depreciation and amortisation' line item of the comprehensive operating statement

(b) During the financial year 2023, LanguageLoop identified four IT tangible assets being classified as intangible assets in prior period. The impact on prior period was not material and therefore LanguageLoop transferred it out of Intangible asset and into PPE in the current financial year.

**Purchased intangible assets**

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

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

**Subsequent measurement**

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

**Impairment of intangible assets**

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

**Note 5 Other assets and liabilities**

**5.1 Receivables**

	2023 \$	2022 \$
<b>Contractual</b>		
Trade receivables	3,947,438	3,611,472
Allowance for impairment losses of contractual receivable	(23,424)	(6,393)
<b>Total receivable</b>	<b>3,924,015</b>	<b>3,605,079</b>
<b>Represented by</b>		
Current receivables	3,924,015	3,605,079
Non-current receivables	-	-

Receivables consists predominantly of amounts owing from our debtors in relation to the service we have provided.

LanguageLoop applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs.

Details about LanguageLoop's exposure to credit risk and the calculation of the loss allowance are set out in note 7.1.2.

**5.2 Payables**

	2023 \$	2022 \$
<b>Contractual</b>		
Supplies and services	504,013	753,243
Accrued expenses	644,834	546,161
<b>Statutory</b>		
Taxes payable	358,693	310,873
<b>Total payables</b>	<b>1,507,540</b>	<b>1,610,277</b>
<b>Represented by</b>		
Current payables	1,507,540	1,610,277
Non-current payables	-	-

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Payables consist of:

- Contractual payable: Payables consist predominantly of accounts payable and other sundry liabilities. Accounts payable represent liabilities for services provided to the company prior to the end of the financial year that are unpaid.
- Statutory payable: Payable consists of goods and services tax and pay as you go (PAYG) payable.

5.3 Contract liabilities

Notes	2023 \$	2022 \$
Prepaid languagelink	346,434	326,407
<b>Total contract liabilities</b>	<b>346,434</b>	<b>326,407</b>
Represented by		
Current contract liabilities	346,434	326,407
Non-current contract liabilities	-	-

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

Maturity analysis of contractual payables

	Carrying amount	Nominal amount	Less than 1 year	1-5 years	5+ years
Supplies of services	326,407	326,407	229,903	96,504	-
<b>Balance at 30 June 2022</b>	<b>326,407</b>	<b>326,407</b>	<b>229,903</b>	<b>96,504</b>	<b>-</b>
Supplies of services	346,434	346,434	317,319	29,115	-
<b>Balance at 30 June 2023</b>	<b>346,434</b>	<b>346,434</b>	<b>317,319</b>	<b>29,115</b>	<b>-</b>

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

Note 6 How we financed our operations

6.1 Borrowings and lease liabilities

Notes	2023 \$	2022 \$
Loans from TCV	-	32,549
Lease Liabilities	184,053	268,170
<b>Total current borrowings and lease liabilities</b>	<b>184,053</b>	<b>300,719</b>
Loans from TCV	-	-
Lease Liabilities	237,723	641,418
<b>Total non-current borrowings and lease liabilities</b>	<b>237,723</b>	<b>641,418</b>
<b>Total borrowings and lease liabilities</b>	<b>421,776</b>	<b>942,137</b>

Borrowings are initially measured at fair value, being the cost of the borrowings, net of transaction costs.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. During the current and prior year, there were no default or breaches of the loan.

Maturity analysis of borrowings and lease liabilities

	Carrying amount	Nominal amount	Less than 1 year	1-5 years	5+ years
Loans from TCV	32,549	32,549	32,549	-	-
Lease Liability	909,588	955,883	289,658	666,225	-
<b>Balance at 30 June 2022</b>	<b>942,137</b>	<b>988,432</b>	<b>322,207</b>	<b>666,225</b>	<b>-</b>
Loans from TCV	-	-	-	-	-
Lease Liability	421,776	438,940	196,261	242,680	-
<b>Balance at 30 June 2023</b>	<b>421,776</b>	<b>438,940</b>	<b>196,261</b>	<b>242,680</b>	<b>-</b>

Interest expense

	2023	2022
Interest on leases liability	18,709	27,434
Interest on TCV Loan	210	2,327
<b>Total interest expense</b>	<b>18,919</b>	<b>29,761</b>

Note:

(a) Lease liability relates to lease of office building

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of lease repayments.

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

# LANGUAGELOOP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2023

#### 6.2 Leases

Information about leases for which LanguageLoop is a lessee is presented below.

##### LanguageLoop leasing activities

LanguageLoop has currently one lease in operation relating to office premise at Level 16, 607 Bourke St, Melbourne VIC 3000 for fixed periods from 01/09/2017 to 31/08/2022 with an option to extend another three years to 31/08/2025. In the financial year LanguageLoop executed the option to extend the lease term to 31/08/2025.

##### 6.2.1 Right-of-use assets

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

##### 6.2.2 Amounts recognised in the comprehensive operating statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2023	2022
Interest expense on leases liability	18,709	27,434
<b>Total amount recognised in the comprehensive operating statement</b>	<b>18,709</b>	<b>27,434</b>

##### 6.2.3 Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement for the year ending 30 June 2023 relating to leases.

	2023	2022
Repayment of principal portion of lease liabilities	159,066	279,189
<b>Total amount recognised in the cash flow statement</b>	<b>159,066</b>	<b>279,189</b>

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

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the LanguageLoop and for which the supplier does not have substantive substitution rights
- whether LanguageLoop has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and LanguageLoop has the right to direct the use of the identified asset throughout the period of use
- whether LanguageLoop has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use

##### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

##### Recognition and measurement of leases as a lessee

###### Lease Liability - initial measurement

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

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

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised

###### Lease Liability - subsequent measurement

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

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

###### Leases of low-value assets

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

#### 6.3 Reconciliation of net result for the period to cash flow from operating activities

	Notes	2023	2022
		\$	\$
Net result for the period		1,654,139	7,753
Non-cash movement:			
Depreciation and Amortisation		549,989	618,783
Other non-cash movements		(59,673)	390,244
Movement in assets and liabilities:			
Increase/(Decrease) in provisions		(95,116)	6,264
Increase/(Decrease) in payables		(102,737)	(162,726)
Increase/(Decrease) in contract liabilities		20,027	114,818
(Increase)/Decrease in receivables		(318,935)	32,406
(Increase)/Decrease in prepayments		123,369	(40,661)
<b>Net cash provided by operating activities</b>		<b>1,771,064</b>	<b>966,882</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

Note 7 Risk, contingencies and valuation judgements

7.1 Financial instruments specific disclosures

**Financial Assets at amortised cost**

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

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

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

LanguageLoop recognises the following assets in this category:

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

**Financial liabilities at amortised cost**

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

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

**Financial risk management objectives and policies**

As a whole, LanguageLoop's financial risk management seeks to manage risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial assets and financial liabilities above are disclosed throughout the financial statements. The LanguageLoop's main financial risks include credit risk, liquidity risk, interest rate risk. LanguageLoop manages these financial risks in accordance with its financial risk management policy.

LanguageLoop uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of LanguageLoop.

7.1.1 Interest rate risk

LanguageLoop does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

LanguageLoop has minimal exposure to cash flow interest rate risks through its cash and term deposits that have floating interest rates. LanguageLoop manages this risk by mainly undertaking fixed rates or non-interest bearing financial instruments with relatively even maturity profiles.

7.1.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations as and when they fall due resulting in financial loss to LanguageLoop. LanguageLoop has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arising from receivables is managed on an individual customer basis through a stringent credit assessment process. Customers exceeding their capacity and credit limit are placed on a cash on delivery basis.

LanguageLoop does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited as funds are invested in banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents LanguageLoop's maximum exposures to credit risk.

**Contractual receivables at amortised cost**

LanguageLoop applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

LanguageLoop has grouped trade receivable characteristics and days past due and selected the expected credit loss rate based on its past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, LanguageLoop determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

	2022	Less than 30 days	30- 60 days	60-90 days	90-120 days	more than 120 days	Total
Expected loss rate (%)		-	-	-	0	3	..
Gross carrying amount of contractual receivables		2,317,012	655,241	393,289	61,051	184,879	3,611,472
<b>Loss allowance</b>		-	-	-	128	6,265	6,393

	2023	Less than 30 days	30- 60 days	60-90 days	90-120 days	more than 120 days	Total
Expected loss rate (%)		-	-	-	0	5	..
Gross carrying amount of contractual receivables		2,171,551	810,059	347,711	121,274	496,843	3,947,438
<b>Loss allowance</b>		-	-	-	468	22,955	23,424

The reconciliation of the movement in the loss allowance for contractual receivable is shown as follows:

	2023	2022
	\$	\$
Balance at beginning of the year	(6,393)	(10,644)
Increase in provision recognised in the net result	(28,092)	-
Reversal of provision of receivables written off during the year as uncollectible	11,061	4,251
<b>Balance at end of the year</b>	<b>(23,424)</b>	<b>(6,393)</b>

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as transaction expenses. Subsequent recoveries for amounts previously written off are credited against the same line item.

NOTES TO THE FINANCIAL STATEMENTS  
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7.1.3 Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations as and when they fall due. LanguageLoop manages its liquidity risk by:

- a) careful maturity planning of our financial obligations based on forecasts of future cash flows; and
- b) maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet our short term obligations.

The carrying and nominal amount of contractual payables is \$1,128,604 in 2023 (\$1,279,160 in 2022). The contractual maturity dates of these payables is less than one year.

7.2 Contingent assets & contingent liabilities

There were no contingent assets and contingent liabilities for LanguageLoop at 30 June 2023 or 30 June 2022.

7.3 Fair value determination

Consistent with AASB 13 Fair Value Measurement, plant and equipment and financial instruments are measured at fair value and categorised in the financial statements within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

The carrying amount of furniture and fitting and office equipment equates to the fair value. Based on the lowest level input that is significant to the fair value of these asset classes, the fair value measurement is level 3 because useful life are unobservable.

The accounting policies set out have been applied in preparing the financial statements for the year ended 30 June 2023 and the comparative information presented for the year ended 30 June 2022.

Management consider that the carrying amount of financial assets and the financial liabilities recorded in the financial statements approximates their net fair values.

Transaction costs are included in the determination of net fair value.

The net fair value of all the contractual financial assets and liabilities are the same as the carrying amounts.

7.3.1 Fair value determination of non-financial physical assets

Details of LanguageLoop's property, plant and equipment information about the fair value hierarchy based on recurring fair value measurement are as follows:

2022	Carrying amount as at 30 June 2022	Fair value hierarchy		
		Level 1	Level 2	Level 3
Furniture and fittings	2,713	-	-	2,713
Office equipment	25,458	-	-	25,458
Infrastructure	-	-	-	-
Leasehold improvement (building improvement)	128,990	-	-	128,990
<b>Total assets at fair value</b>	<b>157,161</b>	<b>-</b>	<b>-</b>	<b>157,161</b>

2023	Carrying amount as at 30 June 2023	Fair value hierarchy		
		Level 1	Level 2	Level 3
Furniture and fittings	1,373	-	-	1,373
Office equipment	38,518	-	-	38,518
Infrastructure	-	-	-	-
Leasehold improvement (building improvement)	88,151	-	-	88,151
<b>Total assets at fair value</b>	<b>128,041</b>	<b>-</b>	<b>-</b>	<b>128,041</b>

There have been no transfers between levels during the period. Classified in accordance with the fair value hierarchy.

Reconciliation of level 3 fair value movements

Change for period	Furniture and Fittings	Office Equipment	Infrastructure	Leasehold Improvement
Opening balance	4,224	23,128	89,393	173,527
Additions	-	21,418	-	-
Transfer out	-	-	(89,393)	-
Depreciation & amortisation	(1,512)	(19,087)	-	(44,537)
<b>Balance at 30 June 2022</b>	<b>2,713</b>	<b>25,458</b>	<b>-</b>	<b>128,990</b>
Opening balance	2,713	25,458	-	128,990
Additions	-	25,207	-	-
Disposals	-	(63)	-	-
Transfer out	-	4,275	-	-
Depreciation & amortisation	(1,340)	(16,360)	-	(40,839)
<b>Balance at 30 June 2023</b>	<b>1,373</b>	<b>38,518</b>	<b>-</b>	<b>88,151</b>

Description of significant unobservable inputs to level 3 valuations

2022 and 2023	Valuation technique	Significant unobservable inputs
Furniture and Fittings	Current replacement cost	Usefull life
Office Equipment	Current replacement cost	Usefull life
Infrastructure	Current replacement cost	Usefull life
Leasehold Improvement	Current replacement cost	Usefull life

Significant unobservable inputs have remained unchanged since June 2022. There were no changes in valuation techniques throughout the period to 30 June 2023.

Note 8 Other disclosures

8.1 Other economic flows included in the net result

	2023	2022
	\$	\$
Net gain/(loss) on financial instrument	(18,787)	-
Net gain/(loss) on the revaluation of long service leave liability	(42,595)	26,503
Net gain/(loss) on non-financial assets	-	(362,810)
<b>Total other economic flows included in net result</b>	<b>(61,382)</b>	<b>(336,307)</b>

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

- Net gain/(loss) on financial instruments: Includes the increase or decrease in provision for doubtful debts and bad debts
- Net gain/(loss) on the revaluation of long service leave liability: Includes the gain or loss from the revaluation of the present value of long service leave liability due to changes in the bond interest rate
- Net gain/(loss) on non-financial assets: Includes any gain or loss from the revaluation of the of property, plant, equipment and intangibles

8.2 Responsible Persons

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

Names

The persons were responsible persons for the reporting period are as follows:

Responsible Ministers	The Hon. Ros Spence Minister for Multicultural Affairs	1 July 2022 to 4 December 2022
	The Hon. Colin Brooks Minister for Multicultural Affairs	5 December 2022 to 30 June 2023
Governing Board of Directors	Dr. Kathy Laster - Chair	1 July 2022 to 30 June 2023
	Ms. Draga Jevtic	1 July 2022 to 30 June 2023
	Mr. Michael Martinez	1 July 2022 to 30 June 2023
	Dr. Michalis Michael	1 July 2022 to 6 February 2023
	Dr. Eva Tsahuridu	1 July 2022 to 30 June 2023
	Mr. Joseph Hawell	1 July 2022 to 30 June 2023
	Ms. Noble Tabe	1 July 2022 to 30 June 2023
	Ms. Isabella Villani	1 July 2022 to 30 June 2023
Independent Audit & Risk Committee Member	Mr. Ramanan Subraminian	1 July 2022 to 30 June 2023
Accountable Officer	Mr. George Bisas	1 July 2022 to 21 May 2023
	Mr. Emiliano Zucchi	22 May 2023 to 30 June 2023

Salary Band \$	Number of Persons	
	2023	2022
0 - 9,999	2	2
10,000 - 19,999	6	7
20,000 - 29,999	1	-
70,000 - 79,999	1	-
80,000 - 89,999	-	1
190,000 - 199,999	-	1
300,000 - 399,999	1	-
600,000 - 699,999	-	1
<b>Total number</b>	<b>11</b>	<b>12</b>
<b>Total amount</b>	<b>531,600</b>	<b>1,026,334</b>

8.3 Remuneration of executives

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

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

- Short-term employee benefits including amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include long service leave, other long service benefits or deferred compensation.
- Termination benefits include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. This includes annual salary increases, employee exits and introduction of new employees.

Remuneration of executive officers	Total remuneration	
	2023	2022
Short-term employee benefits	364,481	404,167
Post-employment benefits	34,826	37,400
Other long-term benefits	4,789	5,431
<b>Total remuneration<sup>(a)</sup></b>	<b>404,096</b>	<b>446,998</b>
Total number of executives	3	2
Total annualised employee equivalents <sup>(b)</sup>	2	2

Notes:

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

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

# LANGUAGELOOP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 8.4 Related parties

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

Related parties of LanguageLoop, include:

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

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

### Remuneration of key management personnel

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

Compensation of KMPS	2023	2022
Short-term employee benefits	486,878	489,907
Post-employment benefits	44,722	45,494
Other long-term benefits	-	2,821
Termination benefits	-	488,112
<b>Total Remuneration</b>	<b>531,600</b>	<b>1,026,334</b>

### Transactions and balances with key management personnel and other related parties

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

Outside of normal citizen type transactions with LanguageLoop, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### Significant transaction with government-related entities

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

### 8.5 Remuneration of auditors

	2023 \$	2022 \$
Victorian Auditor-General's Office Audit of the financial statements	34,600	33,600

### 8.6 Subsequent events

VITS LanguageLoop continues to work with the support of the Victorian Government to transition from a contractor based workforce engagement model to a primarily employment based model. This transition is consistent with the Victorian Government's industrial relations policies and secure employment principles. The transition process will be completed by 2024-2025 financial year. Process has progressed to discussions with Union representatives relating to the Enterprise Bargaining Agreement.

### 8.7 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. These accounting standards have not been applied to the LanguageLoop Financial Statements. LanguageLoop is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

#### AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

AASB 2020-1 amended AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

LanguageLoop has assessed the impacts of above Standard. It is not anticipated to have a material impact.

# 2023 Statement by Directors and Management

In the opinion of the Directors and Management:

1. The accompanying comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements of VITS LanguageLoop present fairly the financial transactions during the year ended 30 June 2023 and the financial position at that date.
2. The accompanying financial statements have been prepared in accordance with the directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Australian Accounting Standards and other mandatory reporting requirements.
3. At the date of signing, there are no circumstances that would render any particulars in the financial statements to be misleading or inaccurate.



**Professor Kathy Laster AM**  
Chair of the Board of Directors  
VITS LanguageLoop



**Emiliano Zucchi**  
Chief Executive Officer  
VITS LanguageLoop



**Leanne Conrad**  
Director Corporate Services  
VITS LanguageLoop

Date: 21 September 2023

Date: 21 September 2023

Date: 21 September 2023



# ACKNOWLEDGEMENT OF COUNTRY

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

VITS LanguageLoop has made this acknowledgement accessible to all Australians by translating it into 35 of Victoria's most commonly spoken languages. This is a powerful way to connect everyone to the rich history of our shared country. Check out our website for a selection of those languages.

## English

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

## Vietnamese

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

## Punjabi

ਮੁੜ-ਸੁਲ੍ਹਾ ਦੀ ਭਾਵਨਾ ਵ ਵਿੱਚ [ORGANISATION] ਸਾਰੇ ਆਸਟ੍ਰੇਲੀਆ ਵ ਵਿੱਚ ਦੇਸ਼ ਦੇ ਰਵਾਇਤੀ ਰਖਵਾਵਲਾਂ ਅਤੇ ਉਹਨਾਂ ਦੇ ਜ਼ਮੀਨ, ਸਮੁੰਦਰ ਅਤੇ ਭਾਈਚਾਰੇ ਨਾਲ ਸਬੰਧਾਂ ਨੂੰ ਸਵੀਕਾਰ ਕਰਦਾ/ਕਰਦੀ ਹੈ। ਅਸੀਂ ਉਹਨਾਂ ਦੇ ਅਤੀਤ ਅਤੇ ਵਰਤਮਾਨ ਬਜ਼ੁਰਗਾਂ ਦੇ ਪ੍ਰਤੀ ਆਪਣਾ ਆਦਰ ਪ੍ਰੇਸ਼ ਕਰਦੇ ਹਾਂ, ਅਤੇ ਅੰਜ ਨਾਲ ਹੀ ਸਾਰੇ ਆਵਦਵਾਸੀ ਅਤੇ ਟ੍ਰੇਸ ਸਟ੍ਰੇਟ ਆਈਲੈਂਡਰ ਲੋਕਾਂ ਦਾ ਆਦਰ ਕਰਦੇ ਹਾਂ।

## Mandarin

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

## Arabic

موظف فرغت تخلصملا حور نم  
ضرباً مهتقلاعو ايلارتسا ORGANISATION اقلطنا  
ءاحناً عيمج يف دلبلل نييديلقتلا ءايصولأاب [ رحبلو  
سيروت فيضم رزج ناكسو نييلصلاً بو عشلا عيمجل  
مارتحلا اذه هجونو نيرضاحلاو نيقياسلا مهنامعزل انمارتحا  
مدقن نحن .عمتجملاو .مويلا

## Tamil

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

# Language Loop



## Connect with us

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