

NILS Network of Tasmania Ltd

ACN 659 332 386

Annual Report - 30 June 2024

NILS Network of Tasmania Ltd
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Marla Giacon
Nicolette Quinn
Kym Goodes
Kane Ingham
Lance Balcombe
Stacey Milbourne
Will Barbour

Strategic Objectives of NILS Tasmania:

The strategic objective of NILS Network of Tasmania Ltd is to sustainably provide support to Tasmanians living on a low income by providing access to safe and affordable loans.

To achieve this objectives, NILS Tasmania has developed a Strategic Plan for 2020 – 2025 that outlines the key actions to be undertaken:

1. Grow Micro Finance to meet the needs of as many low income Tasmanians as possible, through building the client base and increasing loan purposes, volume and values.
2. Utilise all available technologies to continually improve the loan experience for our clients, partners and staff.
3. Grow Micro Business loan volumes and client base whilst enhancing the client experience throughout the life of the loan.
4. Embed appropriate Strategic Governance where appropriate
5. Maximise NILS Tasmania's financial diversity and independence.

Principal activities

The principal activities of the company during the year were:

- To support Tasmanians living on a low income by providing access to safe and affordable loans for essential goods and services, small business development and second-hand vehicles.

Business review

Total comprehensive loss for the year attributable to the members of NILS Network of Tasmania Ltd is \$318,794.

NILS is reliant on the ongoing support of funding providers to continue as a going concern and deliver its services to Tasmanians in need of financial support.

The cost of living challenges experienced by the Tasmanians whom NILS supports continued the high demand for our loans in 23- 24.

The NILS Tasmania Board chose to invest equity in renewing our core loan management system infrastructure to enable NILS to have a fit for purpose digital infrastructure for the years ahead and better serve the Tasmanian community.

The NILS Tasmania Board and management were in positive negotiation with the Tasmanian State Government about our need for increased operational funding in the years ahead, and therefore chose to maintain operational staffing at high levels to continue to service the Tasmanian community for this 12 month period, rather than downscaling our loan operations to fit our revenue.

The needed operational funding has been secured for the coming three years thanks to the Tasmanian State Government and, for that period, NILS Tasmania will be able to gradually scale up to service more of the demand in the community for our loans while maintaining a prudent financial position.

NILS Network of Tasmania Ltd
Directors' report
30 June 2024

Performance measures

The company measures its performance through the number of loans delivered to Tasmanians against our efficiency and loan management benchmarks.

Company secretary

John Hooper

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Finance Subcommittee	
	Attended	Held	Attended	Held
Marla Giacon	6	6	-	-
Nicolette Quinn	4	6	4	4
Kym Goodes	5	6	-	-
Kane Ingham	4	6	6	6
Lance Balcombe	4	6	4	6
Stacey Milbourne	3	6	-	-
Will Barbour	5	6	1	1


Contributions on winding up

If the Company is wound up, any surplus assets must not be distributed to a member or a former member of the Company, unless that member or former member is a charity described in clause 20.2 of Constitution of NILS Network of Tasmania Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is set out immediately after this directors' report.

On behalf of the directors



4th October 2024



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Australia

DECLARATION OF INDEPENDENCE BY DAVID PALMER TO THE DIRECTORS OF NILS NETWORK OF TASMANIA LTD

As lead auditor of NILS Network of Tasmania Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NILS Network of Tasmania Ltd.

A handwritten signature in black ink, appearing to be 'DP', with a long, sweeping horizontal line extending to the right.

David Palmer
Partner

BDO Audit (TAS)

Hobart, 18 October 2024

NILS Network of Tasmania Ltd
Contents
30 June 2024

Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	17
Independent auditor's report to the members of NILS Network of Tasmania Ltd	18

The financial statements cover NILS Network of Tasmania Ltd as an individual entity. The financial statements are presented in Australian dollars, which is NILS Network of Tasmania Ltd's functional and presentation currency.

NILS Network of Tasmania Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

NILS Network of Tasmania Ltd
PO Box 132, Battery Point
Hobart TAS 7004

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4th October 2024. The directors have the power to amend and reissue the financial statements.

NILS Network of Tasmania Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	2024	2023
	\$	\$
Revenue	1,520,357	1,376,466
Expenses		
Accounting services	(45,227)	(35,586)
Administration	(22,249)	(32,705)
Advertising & marketing	(10,621)	(25,872)
Bank and other charges	(6,784)	(1,073)
Cleaning & general expense	(5,162)	(5,506)
Conference expenses	-	(6,046)
Consultant fees	(61,717)	(54,598)
Depreciation and amortisation expense	(48,267)	(47,246)
Dues & subscriptions	(305)	(1,641)
Electricity & telephone	(20,356)	(20,722)
Employee benefits expense	(1,240,141)	(1,103,841)
Insurance	(18,173)	(6,323)
IT expenses	(69,741)	(60,028)
Loan write offs	(23,695)	-
Meeting expenses	(3,182)	(5,260)
Motor vehicle expenses	(1,612)	(562)
Movement in value of non-paying loans	(34,548)	-
Office equipment expense	(4,874)	(9,406)
Rent	(5,530)	(6,174)
Staff training and amenities	(10,957)	(8,452)
Website & loan management system	(167,540)	(184,871)
Delivery partner expense	(38,470)	(38,883)
Total expenses	(1, 839,151)	(1,654,795)
Deficit for the year attributable to the members of NILS Network of Tasmania Ltd	(318,794)	(278,329)
Other comprehensive income/(loss) for the year	-	97,429
Deficit for the year attributable to the members of NILS Network of Tasmania Ltd	(318,794)	(180,899)
	-	-
Total comprehensive income/ (loss) for the year attributable to the members of NILS Network of Tasmania Ltd	(318,794)	(180,899)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

NILS Network of Tasmania Ltd
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,455,562	2,504,424
Trade and other receivables	5	912,661	866,307
Financial assets-loan receivables	6	4,297,911	3,852,750
Rental bond		4,833	4,834
Prelimited payment		-	74,000
Right-of-use assets	13	64,515	15,404
Total current assets		<u>6,735,482</u>	<u>7,317,719</u>
Non-current assets			
Property, plant and equipment	7	1,769	2,374
Financial asset-loan receivables	6	724,879	698,663
Total non-current assets		<u>726,648</u>	<u>701,037</u>
Total assets		<u>7,462,130</u>	<u>8,018,756</u>
Liabilities			
Current liabilities			
Trade and other payables	8	615,341	694,505
Lease liabilities	9	49,834	12,640
Employee provisions	11	83,223	76,515
Bank overdraft	10	4,619,061	4,245,083
Grant income received in advance	12	775,374	1,077,727
Total current liabilities		<u>6,142,833</u>	<u>6,106,470</u>
Non-current liabilities			
Lease liabilities	9	13,183	-
Employee provisions	11	40,354	35,001
Total non-current liabilities		<u>53,537</u>	<u>35,001</u>
Total liabilities		<u>6,196,370</u>	<u>6,141,471</u>
Net assets		<u>1,265,760</u>	<u>1,877,285</u>
Equity			
Restricted Reserves Energy Subsidy funds		168,442	623,797
Department of Premier & Cabinet Loan			
Write-off funding		162,624	-
Accumulated surplus		1,253,488	1,434,387
Deficits for the year		(318,794)	(180,899)
Total equity		<u>1,265,760</u>	<u>1,877,285</u>

The above statement of financial position should be read in conjunction with the accompanying notes

NILS Network of Tasmania Ltd
Statement of changes in equity
For the year ended 30 June 2024

	Restricted Reserve Energy Subsidy Funds \$	Department of Communities COVID19 \$	Accumulated Surplus \$	Department of Premier & Cabinet Loan Funding \$	Total Equity \$
Balance at 1 July 2022	344,647	196,821	1,223,885	-	1,765,353
Deficit for the year	-	-	(180,899)	-	(180,899)
Transfer to/(from) reserves	279,150	(196,821)	210,502		292,831
Balance at 30 June 2023	<u>623,797</u>	<u>-</u>	<u>1,253,488</u>	<u>-</u>	<u>1,877,285</u>

	Restricted Reserve Energy Subsidy Funds \$	Department of Communities COVID19 \$	Accumulated Surplus \$	Department of Premier & Cabinet Loan Funding \$	Total Equity \$
Balance at 1 July 2023	623,797	-	1,253,488	-	1,877,285
Deficit for the year	-	-	(318,794)	-	(318,794)
Transfer to/(from) reserves	(455,355)	-	-	162,624	(292,731)
Balance at 30 June 2024	<u>168,442</u>	<u>-</u>	<u>934,694</u>	<u>162,624</u>	<u>1,265,760</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

NILS Network of Tasmania Ltd
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		1,844,865	985,189
Payments to suppliers and employees		(2,865,805)	(647,132)
		(1,020,940)	338,057
Interest and other finance costs paid		18,493	12,343
Net cash from/(used in) operating activities	15	(1,002,447)	350,400
Net cash from investing activities		-	-
Cash flows from financing activities			
Repayment of borrowings		(46,415)	(49,043)
Net cash from/(used in) financing activities		(46,415)	(49,043)
Net increase/(decrease) in cash and cash equivalents		(1,048,862)	301,357
Cash and cash equivalents at the beginning of the financial year		2,504,424	2,203,067
Cash and cash equivalents at the end of the financial year	4	<u>1,455,562</u>	<u>2,504,424</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Tasmanian legislation the Collections for Charities Act 2001 requirements to prepare and distribute financial statements to the members of NILS Network of Tasmania. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of NILS Network of Tasmania.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements' AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriated for not-for-profit oriented entities.

The financial statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention.

Rounding:

Unless otherwise stated all financial figures have been rounded off to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Material accounting policy information (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days

Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
Motor vehicles	5-7 years
Office equipment- diminishing value	3-5 years

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2024

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss to NILS after taking account of the recovery of bad debts from our funding partners. The basis of estimating credit losses changed during the year to include an assumption for this reimbursement.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2024 \$	2023 \$
Corporate donation	51,000	50,000
Donations	11	6,495
Grant – Department of Community Services	990,087	891,057
Grants – Department of State Growth	-	25,000
Grants - Good Shepherd Australia New Zealand	433,258	392,484
Interest	22,306	10,943
Department of Premier & Cabinet funding to clear Micro Business Loans Write Offs	23,695	-
Reimbursements	-	487
	<u>1,520,357</u>	<u>1,376,466</u>
Revenue		

Note 4. Cash and cash equivalents

	2024 \$	2023 \$
<i>Current assets</i>		
Term Deposit	505,989	256,409
Cheque/Savings Account - Westpac	745,844	1,360,469
Cheque/Savings Account – National Australia Bank	358,578	829,633
Sarah Slevin Community Fund	7,866	7,921
Credit, debit cards and petty Cash	(162,715)	49,992
	<u>1,455,562</u>	<u>2,504,424</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 5. Trade and other receivables

	2024 \$	2023 \$
<i>Current assets</i>		
Trade receivables	910,661	863,315
Other receivables	2,000	2,992
	<u>912,661</u>	<u>866,307</u>

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2024

Note 6. Financial assets-Loans receivable

	2024	2023
	\$	\$
<i>Current assets</i>		
Loans Micro Finance	4,090,664	3,667,586
Reimbursement expected for Micro Finance Loans Written Off	90,789	61,021
Micro Finance provision for credit losses	(130,218)	(98,209)
Loans Micro Business	246,676	213,843
Reimbursement expected for Micro Business Loans Written Off	-	8,509
	<u>4,297,911</u>	<u>3,852,750</u>
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Loans Micro Finance	638,637	637,134
Micro Finance provision for credit losses	(30,359)	(14,888)
	<u>608,278</u>	<u>622,246</u>
Loans Micro Business	104,583	77,592
Micro Business provision for credit losses	12,018	(1,175)
	<u>116,601</u>	<u>76,417</u>
	<u>724,879</u>	<u>698,663</u>

National Australia Bank provision of Micro Finance loan book capital includes refunding the available capital for any written off loans (loans with no payments for over 12 months) for up to 4% of total Micro Finance loan book value.

Tasmanian State Government, through the Department of Premier & Cabinet, funding arrangements for our Micro Business operations, provides for refunding our Bank of us loan book capital for any written off loans (loans with no payments for 12 months) up to a value of \$50 000 annually.

Given these capital funding arrangements, in the 23-24 financial year the NILS Tasmania Board, have determined it is prudent to only provision for possible bad debts that are outside of these arrangements. This is the same approach to previous financial year.

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2024

Note 7. Property, plant and equipment

	2024 \$	2023 \$
<i>Non-current assets</i>		
Furniture, fixtures and fittings - at cost	15,227	15,227
Less: Accumulated depreciation	<u>(15,227)</u>	<u>(15,212)</u>
	-	15
Motor vehicles - at cost	18,759	18,759
Less: Accumulated depreciation	<u>(16,990)</u>	<u>(16,400)</u>
	1,769	2,359
Computer equipment - at cost	58,500	58,500
Less: Accumulated depreciation	<u>(58,500)</u>	<u>(58,500)</u>
	-	-
Plant and equipment - at cost	56,440	56,440
Less: Accumulated depreciation	<u>(56,440)</u>	<u>(56,440)</u>
	-	-
	<u>1,769</u>	<u>2,374</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Furniture equipment \$	Motor vehicles \$	Computer equipment \$	Total \$
Balance at 1 July 2022	241	3,145	-	3,386
Depreciation expense	<u>(226)</u>	<u>(786)</u>	-	<u>(1,012)</u>
Balance at 30 June 2023	15	2,359	-	2,374
Depreciation expense	<u>(15)</u>	<u>(590)</u>	-	<u>(605)</u>
Balance at 30 June 2024	<u>-</u>	<u>1,769</u>	<u>-</u>	<u>1,769</u>

Note 8. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	512,614	499,969
Other payables	<u>102,727</u>	<u>194,536</u>
	<u>615,341</u>	<u>694,505</u>

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2024

Note 9. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Lease liability	<u>49,834</u>	<u>12,640</u>
<i>Non-current liabilities</i>		
Lease liability	<u>13,183</u>	<u>-</u>

Note 10. Bank Overdraft

	2024 \$	2023 \$
<i>Current liabilities</i>		
National Australia Bank - Micro Finance Loans	4,256,756	3,965,504
Bank of us - Micro Business Loans	<u>362,305</u>	<u>279,579</u>
	<u>4,619,061</u>	<u>4,245,083</u>

The National Australia Bank (NAB), through our participation agreement with Good Shepherd Australia New Zealand, provide the lending capital for our Micro Finance loans in the form of an overdraft. The total overdraft facility at 30 June 2024 for Micro Finance totalled \$5,953,843 and at 30 June 2024 we had utilised \$ 4,256,756.

The Bank of us provide the lending capital for our Micro Business loans in the form of an overdraft. The total facility available at 30 June 2024 totalled \$450,000 and at 30 June 2024 we had utilised \$362,305.

These funding arrangements provide significant headroom in lending capital for both loan books for the year ahead.

Note 11. Employee liability

	2024 \$	2023 \$
<i>Current liabilities</i>		
Employee benefits-long service leave	19,531	13,365
Employee benefits-annual leave	<u>63,692</u>	<u>63,150</u>
	<u>83,223</u>	<u>76,515</u>
<i>Non-current liabilities</i>		
Employee benefits	<u>40,354</u>	<u>35,001</u>

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2024

Note 12. Grant income received in advance

	2024 \$	2023 \$
<i>Current liabilities</i>		
Good Shepherd Australia New Zealand grant 23/24	-	142,065
Department of Premier and Cabinet grant 23/24	775,374	935,661
	<u>775,374</u>	<u>1,077,726</u>

Note 13. Right-of-use assets

	2024 \$	2023 \$
<i>Current assets</i>		
Land - right-of-use	96,772	138,640
Less: Impairment	(32,257)	(123,236)
	<u>64,515</u>	<u>15,404</u>

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 14. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company:

	2024 \$	2023 \$
Audit of the financial statements	<u>9,552</u>	<u>6,628</u>

The auditor of NILS Network of Tasmania Ltd in 2024 is BDO Audit (TAS)

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2024

Note 15. Cash flow information

Reconciliation of deficit to net cash from/(used in) operating activities

	2024	2023
	\$	\$
Deficit for the year	(318,794)	(180,899)
Adjustments for:		
Depreciation	48,288	47,267
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(47,347)	(45,098)
Decrease in other operating assets	396,013	(338,241)
Increase/(decrease) in trade and other payables	(79,163)	192,508
Increase/(decrease) in other liabilities	(1,001,445)	674,863
Net cash from/(used in) operating activities	<u>(1,002,448)</u>	<u>350,400</u>

Note 16. Key management personnel disclosures

Compensation

The Directors of the company are not compensated. The aggregate compensation made to members of key management personnel of the incorporated company is set out below:

	2024	2023
	\$	\$
Total key management personnel remuneration	<u>\$221,449</u>	<u>\$231,011</u>

Note 17. Contingent liabilities

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 18. Commitments

The company had no commitments for expenditure as at 30 June 2024 and 30 June 2023.

Note 19. Related party transactions

There were no transactions with related parties during the current and previous financial year.

Note 20. Economic Dependency

NILS is reliant on the ongoing support of grant providers to continue as a going concern.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

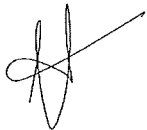
NILS Network of Tasmania Ltd
Directors' declaration
30 June 2024

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Tasmanian legislation the Collections for Charities Act 2001 and associated regulations to prepare and distribute financial statements to the members of NILS Network of Tasmania;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in black ink, consisting of a stylized 'N' followed by a long horizontal stroke.

4th October 2024



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INDEPENDENT AUDITOR'S REPORT

To the members of NILS Network of Tasmania Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NILS Network of Tasmania Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the responsible entities' declaration.

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

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and Tasmanian legislation the Collections for Charities Act 2001. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (TAS)
BDO Audit (TAS)

A handwritten signature in black ink, appearing to read 'D. Palmer', with a long horizontal flourish extending to the right.

David E Palmer
Partner

Hobart, 18 October 2024