

NILS Network of Tasmania Ltd

ABN 57242751071

Annual Report - 30 June 2023

NILS Network of Tasmania Ltd
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Meetings of 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:

	Commenced/Ceased
Stuart Foster	Ceased 16 th December 2022
Marla Giacon	
Nicolette Quinn	
Kym Goodes	
Kane Ingham	
Martin Crane	Ceased 16 th December 2022
Lance Balcombe	
Stacey Milbourne	Commenced 16 th December 2022
Will Barbour	Commenced 16 th December 2022

Company secretary

John Hooper

Principal activities

The principal activities of the company during the year were:

To improve the standard of Tasmanians living on a low income by providing: affordable finance for essential goods and services, affordable finance for small business development and access to financial literacy support and information.

Business review

Total comprehensive loss for the year attributable to the members of NILS Network of Tasmania Ltd is \$180,899.

This result does not factor in \$196,821 of the funding received from the Department of Communities related to COVID-19 relief which was recognised in profits in prior years and was fully expended this year. In addition, there are non-cash income and expenses, which when excluded, result in a cash loss for the year of \$48,519.

NILS is reliant on the ongoing support of funding providers to deliver its services to Tasmanians in need of financial support. The cost of living challenges experienced by those whom NILS supports resulted in a significant increase in demand for loans, with new loans extended growing by 25% over the previous year, and the total loan books at 30 June growing by 60% year-on-year to \$4,6 million.

The NILS Board thank our funders and corporate supporters, as well as our network of delivery partners and volunteer loans officers, all of whom enable us to provide safe, affordable credit to Tasmanians living on a low income.

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 2023, and the number of meetings attended by each director were:

	Full Board		Finance Subcommittee	
	Attended	Held	Attended	Held
Stuart Foster	1	3	-	-
Marla Giacon	4	6	-	-
Nicolette Quinn	4	6	3	4
Kym Goodes	6	6	-	-
Kane Ingham	3	6	3	4
Martin Crane	1	3	2	2
Lance Balcombe	5	6	1	2
Stacey Milbourne	3	3	-	-
Will Barbour	3	3	-	-

**NILS Network of Tasmania Ltd
Directors' report
30 June 2023**

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



15th September 2023
Hobart

NILS Network of Tasmania Ltd

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General information

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 15th September 2023. 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 2023

	Note	2023 \$	2022 \$
Revenue	3	1,376,466	1,466,487
Other income		-	6,985
Expenses			
Accounting services		(35,586)	(42,470)
Administration		(32,705)	(27,759)
Advertising & marketing		(25,872)	(86,439)
Bank and other charges		(1,073)	(13,190)
Cleaning & general expense		(5,506)	(6,556)
Conference expenses		(6,046)	-
Consultant fees		(54,598)	(47,608)
Delivery partner expense		(38,883)	(34,673)
Depreciation and amortisation expense		(47,246)	(47,689)
Dues & subscriptions		(1,641)	(1,540)
Electricity & telephone		(20,722)	(18,041)
Employee benefits expense		(1,103,841)	(978,713)
Insurance		(6,323)	(33,525)
IT expenses		(60,028)	(59,000)
Loan write offs		-	(94,795)
Meeting expenses		(5,260)	(1,513)
Motor vehicle expenses		(562)	(1,653)
Movement in value of non-paying loans		-	(11,808)
Office equipment expense		(9,406)	(15,476)
Rent		(6,174)	(9,556)
Staff training and amenities		(8,452)	(4,149)
Website & loan management system		(184,871)	(98,694)
Total expenses		<u>(1,654,795)</u>	<u>(1,634,847)</u>
Deficit for the year attributable to the members of NILS Network of Tasmania Ltd		(278,329)	(161,375)
Other comprehensive income/(loss) for the year		<u>97,429</u>	<u>(13,146)</u>
Total comprehensive loss for the year attributable to the members of NILS Network of Tasmania Ltd		<u><u>(180,899)</u></u>	<u><u>(174,521)</u></u>

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 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	2,504,424	2,203,067
Trade and other receivables	5	866,307	104,674
Financial assets - loan receivables	6	3,852,750	2,238,210
Rental bond		4,835	4,833
Prepayments		74,000	73,990
Right-of-use assets	13	15,404	61,618
Total current assets		<u>7,317,719</u>	<u>4,686,392</u>
Non-current assets			
Property, plant and equipment	7	2,374	3,386
Intangibles		-	21
Financial assets - loan receivables	6	698,663	439,285
Total non-current assets		<u>701,037</u>	<u>442,692</u>
Total assets		<u>8,018,757</u>	<u>5,129,084</u>
Liabilities			
Current liabilities			
Trade and other payables	8	694,505	515,131
Lease liability	9	12,640	49,023
Employee provisions	11	76,515	49,709
Grant income received in advance	12	1,077,727	-
Bank overdraft	10	4,245,083	2,708,410
Total current liabilities		<u>6,106,470</u>	<u>3,322,273</u>
Non-current liabilities			
Lease liability	9	-	12,639
Employee provisions	11	35,001	28,819
Total non-current liabilities		<u>35,001</u>	<u>41,458</u>
Total liabilities		<u>6,141,471</u>	<u>3,363,731</u>
Net assets		<u>1,877,285</u>	<u>1,765,353</u>
Equity			
Restricted Reserves Energy subsidy funds		623,797	344,647
Department of Communities COVID-19		-	196,821
Accumulated surplus		1,434,388	1,398,406
Deficits for the year		<u>(180,899)</u>	<u>(174,521)</u>
Total equity		<u>1,877,285</u>	<u>1,765,353</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 2023

	Restricted Reserve Energy Subsidy funds	Department of Communities COVID19	Accumulated Surplus	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	182,886	603,008	1,153,980	1,939,874
Transfer to/(from) reserves	161,761	(406,187)	244,426	-
Surplus/(Deficits) for the year	-	-	(174,521)	(174,521)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	344,647	196,821	1,223,885	1,765,353
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Restricted Reserve Energy Subsidy funds	Department of Communities COVID19	Accumulated Surplus	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	344,647	196,821	1,223,885	1,765,353
Transfer to/(from) reserves	279,150	(196,821)	210,502	292,831
Surplus/(deficits) for the year	-	-	(180,899)	(387,560)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	623,797	-	1,253,488	1,877,285
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from operations		985,189	1,473,263
Interest received		12,343	209
Payments to suppliers and employees		(647,132)	(1,436,978)
Net cash used in operating activities	15	350,400	36,494
Cash flows from investing activities			
Payment for property, plant and equipment		-	-
Net cash from investing activities		-	-
Cash flows from financing activities			
Repayment of lease activities		(49,043)	(45,622)
Net cash flow from financing activities		(49,043)	(45,622)
Net increase/(decrease) in cash and cash equivalents		301,357	(9,128)
Cash and cash equivalents at the beginning of the financial year		2,203,067	2,212,195
Cash and cash equivalents at the end of the financial year	4	<u>2,504,424</u>	<u>2,203,067</u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, 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 and associated regulations to prepare and distribute financial statements to the members of NILS Network of Tasmania Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of NILS Network of Tasmania Ltd.

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 appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

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. Significant accounting policies (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.

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:

Fixed asset class	Depreciation rate
Motor vehicles	25%
Furniture fittings and fittings	10%
Office equipment	33-40% Diminishing value

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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

Note 1. Significant accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by company for the annual reporting period ended 30 June 2023. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

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.

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2023

Note 3. Revenue

	2023 \$	2022 \$
Energy Subsidy funds income	-	161,762
Corporate donation	50,000	60,000
Donations	6,495	-
Grant – Department of Community Services	891,057	719,473
Grants – Department of State Growth	25,000	25,000
Grants - Good Shepherd Australia New Zealand	392,484	343,190
Interest	10,943	209
National Australia Bank bad debt subsidies	-	156,935
NILS membership fees	-	(82)
Reimbursements	487	-
	<u>1,376,466</u>	<u>1,466,487</u>

Note 4. Cash and cash equivalents

Term Deposit	256,409	-
Cheque/Savings Account - Westpac	1,360,469	1,560,625
Cheque/Savings Account – National Australia Bank	829,633	577,001
Sarah Slevin Community Fund	7,921	1,957
Credit, debit cards and petty Cash	49,992	63,484
	<u>2,504,424</u>	<u>2,203,067</u>

Note 5. Trade and other receivables

Trade receivables	863,315	103,217
Other receivables	2,992	1,457
	<u>866,307</u>	<u>104,674</u>

Note 6. Financial assets – Loans receivable

Current assets

Loans Micro Finance	3,667,586	2,190,546
Reimbursement expected for Micro Finance Loans Written Off	61,021	-
Micro Finance provision for credit losses	(98,209)	(147,119)
Loans Micro Business	213,843	210,619
Reimbursement expected for Micro Business Loans Written Off	8,509	-
Micro Business provision for credit losses	-	(15,836)
	<u>3,852,750</u>	<u>2,238,210</u>

Non-Current assets

Loans Micro Finance	637,134	408,428
Micro Finance provision for credit losses	(14,888)	(26,278)
Loans Micro Business	77,592	65,000
Micro Business provision for credit losses	(1,175)	(7,845)
	<u>698,663</u>	<u>439,305</u>

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2022

Note 6. Financial assets – Loans receivable (continued)

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 State Growth, 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 22-23 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 a change in approach from the prior year where the provision did not reflect the anticipated reimbursement of written off loans up to the thresholds set in our funding agreements.

Note 7. Property, plant and equipment

	2023 \$	2022 \$
Furniture, fixtures and fittings - at cost	15,227	15,227
Less: Accumulated depreciation	<u>(15,212)</u>	<u>(14,986)</u>
Motor vehicles - at cost	18,759	18,759
Less: Accumulated depreciation	<u>(16,400)</u>	<u>(15,614)</u>
Computer equipment - at cost	58,500	58,500
Less: Accumulated depreciation	<u>(58,500)</u>	<u>(58,500)</u>
	<u>2,374</u>	<u>3,386</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 2021	484	4,193	-	4,677
Additions	-	-	-	-
Depreciation expense	<u>(243)</u>	<u>(1,048)</u>	<u>--</u>	<u>(1,291)</u>
Balance at 30 June 2022	241	3,145	-	3,386
Additions	-	-	-	-
Depreciation expense	<u>(226)</u>	<u>(786)</u>	<u>--</u>	<u>(1,012)</u>
Balance at 30 June 2023	<u>15</u>	<u>2,359</u>	<u>-</u>	<u>2,374</u>

Note 8. Trade and other payables

	2023 \$	2022 \$
Trade payables	499,969	428,072
Other payables	194,536	87,059
	<u>694,505</u>	<u>515,131</u>

NILS Network of Tasmania Ltd
Notes to the financial statements
30 June 2022

Note 9. Lease liability

	2023 \$	2022 \$
Current liability		
Lease liability	<u>12,640</u>	<u>49,023</u>
Non-Current liability		
Lease liability	<u>-</u>	<u>12,639</u>

Note 10. Bank overdraft

National Australia Bank- Micro Finance Loans	3,965,504	2,496,864
Bank of us – Micro Business Loans	<u>279,579</u>	<u>211,546</u>
	<u>4,245,083</u>	<u>2,708,410</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 2023 for Micro Finance totalled \$6,157,153 and at 30 June we had utilised \$3,965,504. This gives significant headroom in lending capital for the year ahead.

The Bank of us provide the lending capital for our Micro Business loans also in the form of an overdraft. The total overdraft facility at 30 June 2023 for Micro Business totalled \$450,000 and at 30 June we had utilised \$279,579.

Note 11. Employee liability

Current liability		
Employee benefits- annual leave	63,151	49,709
Employee benefits- long service leave	<u>13,365</u>	<u>-</u>
	<u>76,516</u>	<u>49,709</u>
Non-Current liability		
Employee benefits- long service leave	<u>35,001</u>	<u>28,819</u>

Note 12. Grant income received in advance

Good Shepherd Australia New Zealand grant 23/24	142,065	-
Department of Premier and Cabinet grant 23/24	<u>935,661</u>	<u>-</u>
	<u>1,077,725</u>	<u>-</u>

Note 13. Remuneration of auditors

Auditing the financial statements	<u>6,628</u>	<u>4,455</u>
	<u>6,628</u>	<u>4,455</u>

The auditor of NILS Network of Tasmania Ltd in 2023 is BDO Audit (TAS).

NILS NETWORK OF TASMANIA (HOBART)
Notes to the financial statements
30 June 2022

Note 14. Right-of-use assets

Right-of-use asset	138,640	138,640
Accumulated amortization	(123,236)	(77,022)
	<u>15,404</u>	<u>61,618</u>

Note 15. Cash flow information

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

Surplus/(deficit) for the year	(180,899)	(174,521)
Adjustments for:		
Depreciation	47,267	47,689
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(45,098)	(81,597)
(Increase)/Decrease in other operating assets	(338,241)	(337,165)
Increase/(Decrease) in trade and other payables	192,508	58,478
Increase/(Decrease) in other liabilities	674,863	523,610
Net cash from/(used by) operating activities	<u>350,400</u>	<u>36,494</u>

Note 16. Contingent liabilities

The company had no contingent liabilities as at 30th June 2023 and 30th June 2022.

Note 17. Commitments

The company had no commitments for expenditure as at 30th June 2023 and 30th June 2022.

Note 18. Related party transactions

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

Note 19. Economic dependency

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

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30th June 2023 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

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 and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of NILS Network of Tasmania Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 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 made pursuant to section 295(5) (a) of the Corporations Act 2001.

On behalf of the directors



15th September 2023

DECLARATION OF INDEPENDENCE BY DAVID E 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 2023, 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.



David E Palmer
Partner

BDO Audit (TAS)

Hobart, 27 September 2023

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 2023, 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 a summary of significant accounting policies, 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 2023 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.

Emphasis of matter - Economic Dependency

We draw attention to Note 19 in the financial report which describes the entities economic dependency on government funding to continue as a going concern. 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. 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)



DAVID E PALMER

Partner

Hobart, 27 September 2023