NULIS Nominees (Australia) Limited

ABN 80 008 515 633

Annual Report - 30 June 2023

The Directors present their report, together with the financial statements of NULIS Nominees (Australia) Limited ("the Company") for the year ended 30 June 2023 and the auditor's report thereon. The ultimate parent entity is Insignia Financial Ltd and the Company is a member of the Insignia Financial Group ("IFL Group").

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:

Mr Robert A Bloore (resigned 9 December 2022)
Ms Karen N Gibson
Ms Jane M Harvey
Ms Beth V McConnell
Mr Steven J Schubert
Mr Lindsay R Smartt

Principal activity
The Company is a for-profit entity and its principal activity during the course of the year was to act as corporate trustee for the following Registerable Superannuation Entities (RSEs) under an instrument of approval granted by the Australian Prudential Regulation Authority ("APRA"):

- MLC Super Fund
- MLC Superannuation Fund
- MLC Pooled Superannuation Trust
- DPM Retirement Service
- Premium Choice Retirement Service

There were no significant changes in the nature of the activities of the Company during the year.

Dividends
Dividends of $63,500,000 (2022: $178,900,000) were paid during the year ended 30 June 2023.

On 23 August 2023, the Directors declared a final dividend for the year ended 30 June 2023 of $5,800,000 to be paid in August 2023.

Review of operations
The profit after income tax of the Company was $57,958,000 (2022: $82,117,000).

The operating profit for the year was lower than the prior year, primarily driven by higher operating expenses incurred and the implementation of the shareholder capital charge.

State of affairs
In November 2022, APRA imposed additional licence conditions on the Company. These conditions included:

- Enhancement of the Company's governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- Appointment of an independent expert to examine the operational effectiveness of the Company's governance, accountability and risk management frameworks and practices; and
- Rectification of areas of concern with input from the independent expert.

The Company is working with the IFL Group to satisfactorily address all the Licence Conditions and to rectify any and all areas of concern identified by the independent expert.

There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the reporting period
There have been no significant events from 30 June 2023 to the date of signing this report.

Future developments
Information about likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report because disclosures of the information would be likely to result in unreasonable prejudice to the Company.

Environmental regulation
The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law. Environmental, social and governance ("ESG") risks can have a material impact on the Company's ability to deliver sustainable long-term outcomes for the clients, investors and the community of Insignia Financial Ltd and its subsidiaries.

To ensure the Company fulfils its purpose, the IFL Group (of which the Company is a subsidiary) considers a broad range of ESG considerations. To help guide its responsible investment practice, the IFL Group has become a member of the Investor Group on Climate Change (IGCC). The IFL Group's ESG activities are discussed in the ESG section of its annual report.

Impact of macro-economic factors
The Directors continue to assess the potential financial and other impacts of current market conditions including rising inflation, interest rate increases and geopolitical unrest. The current level of uncertainty regarding these matters on investment markets has impacted investment outcomes and increased volatility in investment performance during the period. Such disruptions can adversely affect the assets, performance and liquidity of underlying funds. The Directors and management continue to remain abreast of developments in this area and monitor the potential impacts on the Company.

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

Ms Arcangela Matera
Ms Leah Perez

Indemnification and insurance of officers
During the financial year, Insignia Financial Ltd and its controlled entities paid a premium to insure the Directors, secretaries and general officers of the IFL Group (including the Company). No such insurance cover has been provided for the benefit of any external auditor of the IFL Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage to themselves or someone else or to cause detriment to the Company.

Rounding of amounts
The Company is of a kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016, and in accordance with that, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars. Narrative disclosures are expressed in whole dollars or as otherwise indicated. Any discrepancies between total and sums of components in tables contained in this report and the accompanying financial statements are due to rounding.

Auditor's independence declaration
The lead auditor's independence declaration is set out on page 3 of the annual report and forms part of the Directors' report for the year ended 30 June 2023.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Lindsay Smartt
Director

23 August 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of NULIS Nominees (Australia) Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of NULIS Nominees (Australia) Limited for the financial year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Wooden

Partner

Melbourne

23 August 2023

NULIS Nominees (Australia) Limited
Statement of comprehensive income
For the year ended 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
Revenue			
Management fee income	4	442,152	446,634
Interest income	5	8,784	4,136
Other revenue	6	14,413	6,785
Expenses			
Service fee and other direct costs	7	(10,317)	(10,496)
Operating expenditure	8	(363,081)	(315,858)
Other expense		(9,154)	(13,891)
Profit before income tax expense		**82,797**	**117,310**
Income tax expense	9	(24,839)	(35,193)
Profit after income tax for the year		**57,958**	**82,117**
Other comprehensive income		-	-
Total comprehensive income for the year		**57,958**	**82,117**

The above Statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements

NULIS Nominees (Australia) Limited
Statement of financial position
As at 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
Assets			
Cash and cash equivalents	10	35,854	46,846
Trade and other receivables	11	55,839	56,545
Receivables from related parties		17,462	1,601
Financial assets	12	278,973	267,561
Deferred tax assets	13	-	1,029
Total assets		**388,128**	**373,582**
Liabilities			
Fee payables		1,258	8,958
Payables to related parties		64,422	33,101
Deferred tax liabilities	13	204	-
Unearned income		-	3,737
Total liabilities		**65,884**	**45,796**
Net assets		**322,244**	**327,786**
Equity			
Share capital	14	315,250	315,250
Retained profits		6,994	12,536
Total equity		**322,244**	**327,786**

The above Statement of financial position should be read in conjunction with the accompanying notes to the financial statements

NULIS Nominees (Australia) Limited8
Statement of changes in equity
For the year ended 30 June 2023

	Note	Share Capital $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 July 2021		**245,250**	**109,319**	**354,569**
Profit after income tax for the year		-	82,117	82,117
Other comprehensive income		-	-	-
Total comprehensive income		**-**	**82,117**	**82,117**
Capital injection	14	70,000	-	70,000
Dividend paid	15	-	(178,900)	(178,900)
Total capital transactions		**70,000**	**(178,900)**	**(108,900)**
Balance at 30 June 2022		**315,250**	**12,536**	**327,786**

		Share Capital $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 July 2022		**315,250**	**12,536**	**327,786**
Profit after income tax for the year		-	57,958	57,958
Other comprehensive income		-	-	-
Total comprehensive income		**-**	**57,958**	**57,958**
Dividend paid	15	-	(63,500)	(63,500)
Total capital transactions		**-**	**(63,500)**	**(63,500)**
Balance at 30 June 2023		**315,250**	**6,994**	**322,244**

The above Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements

NULIS Nominees (Australia) Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	30 June 2023	30 June 2022
Cash flows from operating activities		**$'000**	**$'000**
Receipts from customers and related parties		637,944	726,563
Payments to suppliers and related parties		(563,156)	(625,377)
		74,788	101,186
Interest income received		1,221	45
Income tax paid		(23,607)	(38,375)
Net cash from operating activities	19	**52,402**	**62,856**
Cash flows from investing activities			
Proceeds from sale and maturity of financial assets		169,336	108,778
Purchase of financial assets		(169,230)	(140,325)
Net cash from investing activities		**106**	**(31,547)**
Cash flow from financing activities			
Proceeds from share issues	14	-	70,000
Dividend paid	15	(63,500)	(178,900)
Net cash from financing activities		**(63,500)**	**(108,900)**
Net increase/(decrease) in cash and cash equivalents		**(10,992)**	**(77,591)**
Cash and cash equivalents at the beginning of the year		46,846	124,437
Cash and cash equivalents at the end of the year	10	**35,854**	**46,846**

The above Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements

Note 1. General information

The financial statements cover NULIS Nominees (Australia) Limited (“the Company”) as an individual entity. The ultimate parent entity is Insignia Financial Ltd (“IFL”).

NULIS Nominees (Australia) Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company’s registered office and principal place of business are:

Registered office	**Principal place of business**
’30 THE BOND’	’30 THE BOND’
Level 3	Level 3
30 Hickson Road	30 Hickson Road
Millers Point NSW 2000	Millers Point NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 23 August 2023.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Certain comparative amounts have been reclassified to conform with the current year’s presentation.

Basis of preparation

These general purpose tier one financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of measurement
The financial information has been prepared in accordance with the historical cost convention except for certain assets and liabilities as described in the accounting policies below.

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 3.

Changes in accounting policies
The accounting policies adopted in the preparation and presentation of these financial statements are materially consistent with those adopted and disclosed in the Company’s Financial Report for the year ended 30 June 2022. The Company has applied, where relevant, all new or revised Australian Accounting Standards and AASB Interpretations applicable to the year ended 30 June 2023. However, these do not have a material impact on the Company.

Note 2. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted
Accounting Standards that are mandatorily effective for the first time
There are no new accounting standards that are mandatorily effective for the first time which are applicable to these financial statements.

Accounting Standards that have been issued but not yet effective
The following amendments to accounting standards have been issued and are effective for annual periods beginning on or after 1 July 2023 and earlier application is permitted. The Company has not early adopted any of these amendments.

New standards or amendments	Effective first financial year end
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	30 June 2024
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	30 June 2025
AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	30 June 2025

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company.

Rounding
The Company is of a kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016, and in accordance with that instrument, amounts in the financial report have been rounded to the nearest thousand dollars. Narrative disclosures are expressed in whole dollars or as otherwise indicated.

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The Company's financial statements are presented in Australian dollars ("AUD"), which is the Company's functional and presentation currency.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Management fee income
The Company provides investment management and administration services to superannuation funds. These fees are calculated based on an agreed percentage of the respective funds under management, as disclosed in the respective product disclosure statements. The provision of these services is typically a single performance obligation and fees are earned on a daily basis and generally collected monthly.

Performance fees are earned from some agreements when contractually agreed performance levels are exceeded within specified performance measurement periods. They are only recognised when the performance fee has been crystalised.

Other fees principally comprise revenues for other services and are recognised as the relevant service is provided and it is probable that the fee will be collected.

There are no judgements that significantly affect the determination of the amount and timing of revenue from contracts.

Management fee income is recognised in the Statement of comprehensive income over the period in which the service is provided, net of any fees rebated.

Note 2. Significant accounting policies (continued)

Revenue recognition (continued)

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.

Income from investments held at fair value through profit or loss
Gains and losses from changes in the fair value of investments recognised at fair value through profit or loss are recognised in the Statement of comprehensive income in the period they occur.

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

Expense recognition

Service fees and other direct costs, operating expenditure, and other expenses
Operating fees and other expenses are recognised as they are accrued line with the expense being incurred.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Insignia Financial Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Note 2. Significant accounting policies (continued)

Income tax (continued)

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Assets

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity 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.

Financial instruments - Recognition and derecognition
A financial asset or financial liability is recognised in the Statement of financial position when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

At initial recognition, the Company measures its financial assets and financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not classified at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

A financial liability is derecognised from the Statement of financial position when the Company has discharged its obligation or the contract is cancelled or expires.

Financial instruments - Classification and subsequent measurement
Financial instruments measured at fair value through profit or loss (FVTPL)
A financial asset or liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial instruments measured at amortised cost
Financial instruments measured at amortised cost include trade and other receivables and payables. A financial instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Assets (continued)

Financial instruments – Impairment of financial assets
Loss allowances are recognised for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. ECLs are derived from unbiased and probability-weighted estimates of expected losses. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In the financial report this is recognised as a provision for doubtful debts.

Receivables
Trade and other receivables and receivables from related parties are measured at amortised cost less impairment losses.

De-recognition
In transactions where the Company transfers financial assets recognised on the statement of financial position yet retains all, or substantially all of the risks and rewards, the transferred assets are not derecognised from the statement of financial position.

In transactions where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the Company derecognises the asset if control over the asset is lost. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The rights and obligations retained or created in the transfer are recognised separately as assets and liabilities as appropriate.

Liabilities

Fees and commission payable
These amounts represent liabilities for services provided to the Company prior to the end of the financial year and which are unpaid. They are short term in nature and are measured at amortised cost and are not discounted. The amounts are unsecured and are paid within commercial terms.

Payables to related parties
These amounts represent liabilities to entities within the wholly owned group. These are short term in nature and are measured at amortised cost and are not discounted.

Provisions
Provisions arise when there is a present obligation (legal or constructive) as a result of a past event and a probable outflow of resources will be required to settle the obligation. Provisions are recognised when a reliable estimate can be made on the amount of the obligation. The expense relating to a provision is presented in the Statement of comprehensive income net of any reimbursements.

Contingent liabilities
Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the Statement of financial position.

Equity

Ordinary Shares
Ordinary shares in the Company are recognised at the amount paid per ordinary share net of directly attributable issue costs.

Note 2. Significant accounting policies (continued)

Presentation

Offsetting of income and expenses
Income and expenses are not offset unless required or permitted by an accounting standard. This generally arises in the following circumstances:

- where gains and losses arise from a group of similar transactions, such as rebates on management fee income;
- where amounts are collected on behalf of third parties, where the Company is, in substance, acting as an agent only; or
- where costs are incurred on behalf of customers from whom the Company is reimbursed.

Where the Company has received Advisor Service Fees ("ASF") from the fund and paid ASF to dealer groups, the Company offsets these receipts and payments in the Statement of comprehensive income and structured entities note as they are collected in an agent capacity. The ASF receipts and payments are not offset in the Statement of cash flow as they are separate cash transactions.

Offsetting assets and liabilities
Assets and liabilities are offset and the net amount reported in the Statement of financial position only where there is:

- a current enforceable legal right to offset the asset and liability; and
- an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Goods and services tax
Income, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is paid by a related entity within the wholly owned group with a corresponding intercompany balance recognised by the Company.

Cash flows are included in the Statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Note 3. Critical estimates, judgements and assumptions used in applying accounting policies

The Company prepares its financial statements in accordance with policies which are based on Australian Accounting Standards, other authoritative accounting pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. This involves the Company making estimates and assumptions that affect the reported amounts within the financial statements. Estimates and judgements are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

Other than those disclosed elsewhere in the financial statements, management have not made any significant accounting judgements, estimates or assumptions in preparing these financial statements.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Fair value of financial assets
The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets is the closing price. Where no quoted prices in an active market exist, the Company uses valuation techniques to estimate the fair value of financial assets and liabilities. For investments in fixed income and derivatives where no quoted prices in an active market exist, valuation techniques using observable market inputs for financial assets with similar credit risk, maturity and yield characteristics are used. Units in unlisted trusts are measured at the redemption price.

Note 4. Management fee income

	30 June 2023 $'000	30 June 2022 $'000
Management fees	173,080	161,796
Administration fees	251,847	270,080
Other fee income	17,225	14,748
Total management fee income	**442,152**	**446,634**

Note 5. Interest revenue

	30 June 2023 $'000	30 June 2022 $'000
Interest revenue on cash at bank	1,221	45
Interest revenue on financial assets measured at fair value	7,563	4,091
Total interest revenue	**8,784**	**4,136**

Note 6. Other revenue

	30 June 2023 $'000	30 June 2022 $'000
Fund related expense recovery	5,266	5,184
Gain/(loss) on fair value of financial assets	3,954	-
Sundry income	5,193	1,601
Total other revenue	**14,413**	**6,785**

Note 7. Service fees and other direct costs

	30 June 2023 $'000	30 June 2022 $'000
Investment service expense	(9,862)	(9,717)
Custody fees	(455)	(779)
Total service fee and other direct costs	**(10,317)**	**(10,496)**

Note 8. Operating expenditure

	30 June 2023 $'000	30 June 2022 $'000
Fund related expense	(5,657)	(5,184)
Service fees paid to related parties	(341,674)	(310,674)
Shareholder capital charge*	(15,750)	-
Total operating expenditure	**(363,081)**	**(315,858)**

*Refer to Note 18 for further details.

Note 9. Income tax expense

	30 June 2023 $'000	30 June 2022 $'000
Recognised in Statement of comprehensive income		
Current tax	(23,621)	(36,183)
Adjustment for prior year	15	-
	(23,606)	**(36,183)**
Deferred tax – original and reversal of temporary differences	(1,219)	990
Adjustment recognised in the current year in relation to the deferred tax of prior year	(14)	-
	(1,233)	990
Aggregate income tax expense	**(24,839)**	**(35,193)**

Numerical reconciliation of income tax benefit and tax at the statutory rate

	30 June 2023 $'000	30 June 2022 $'000
Profit before income tax	**82,797**	**117,310**
Tax at the statutory tax rate of 30% (2022:30%)	(24,839)	(35,193)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible benefits	-	-
Income tax expense	**(24,839)**	**(35,193)**

Note 10. Cash and cash equivalents

	30 June 2023 $'000	30 June 2022 $'000
Cash at bank	17,592	28,708
Call deposits*	18,262	18,138
Total cash and cash equivalents	**35,854**	**46,846**

*Held for Operational risk financial requirement (“ORFR”) purposes. Refer to Note 18 for details.

Note 11. Trade and other receivables

	30 June 2023 $'000	30 June 2022 $'000
Trade debtors	27,414	29,513
Provision for doubtful debts*	(225)	(154)
	27,189	28,999
Accrued income	28,650	27,546
Total trade and other receivables	**55,839**	**56,545**

*Doubtful debts are raised for receivables aged beyond 90 days past due.

Note 12. Financial assets measured at fair value through profit and loss

	30 June 2023 $'000	30 June 2022 $'000
Current		
Investments in interest bearing securities	87,150	95,490
Derivatives	426	81
	87,576	**95,571**
Non-current		
Investments in interest bearing securities	191,397	171,990
	191,397	**171,990**
Total financial assets measured at fair value through profit and loss	**278,973**	**267,561**

Note 13. Deferred tax assets and liabilities

	30 June 2023 $'000	30 June 2022 $'000
Deferred tax assets / (liabilities) comprises temporary differences attributable to:		
Provision for doubtful debts	68	46
Unearned income	-	1,121
Accrued expenses	122	256
Accrued revenue	(394)	(394)
Total deferred tax assets / (liabilities)	**(204)**	**1,029**
Reconciliation of movements		
Net carrying amounts at the beginning of the year	1,029	39
Recognised in profit or loss	(1,233)	990
Recognised in other comprehensive income	-	-
Carrying amount at the end of the year	**(204)**	**1,029**

Note 14. Share capital

	30 June 2023 Shares	30 June 2022 Shares	30 June 2023 $	30 June 2022 $
Ordinary shares - fully paid	315,250,000	315,250,000	315,250,000	315,250,000

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There was no change to the number of issued shares during the year. In the prior year, 70,000,000 fully paid ordinary shares were issued to the Company's parent.

Note 15. Dividends paid and proposed

	30 June 2023	30 June 2022
	$'000	$'000
Dividend on ordinary shares:		
Final dividend for 2022: 4 cents (2021: 4 cents) per share	12,500	9,900
Interim dividend for 2023: 6 cents (2022: 20.4 cents) per share	19,000	50,000
Interim dividend for 2023: 6.3cents (2022: 7.8 cents) per share	20,000	19,000
Interim dividend for 2023: 3.8 cents (2022: 12.2 cents) per share	12,000	30,000
Special dividend for 2023: Nil (2022: 22.2) per share	-	70,000
Total dividends paid by the Company during the year	**63,500**	**178,900**

On 23 August 2023, the Directors declared a final dividend for the year ended 30 June 2023 of $5,800,000 to be paid in August 2023.

Note 16. Capital management

The Company is capitalised with share capital and retained earnings. This capital is held to meet regulatory and operational requirements that reflect the risk of the Company. The level of capital is actively managed to maintain capital adequacy and efficiency with reference to these requirements.

The Company must remain solvent at all times in accordance with the *Corporations Act 2001*.

The Company is also regulated by APRA and has been issued a Registrable Superannuation Entity (“RSE”) Licence and therefore must comply with APRA’s prudential standards and practice guides associated with an RSE Licence.

In complying with APRA’s Prudential Standard SPS 114 “Operational Risk Financial Requirement” (ORFR), the Company has continued to operate within its Board approved ORFR Target and tolerances. As at 30 June 2023, the ORFR had been met through Company ORFR trustee capital of $297,239,885 (2022: $285,720,500).

There were no changes in the Company’s approach to capital management since the prior financial year. The Company has met APRA capital requirements at all times during the current and prior financial years.

Note 17. Risk management policies and procedures

The Company is a wholly owned subsidiary of Insignia Financial Ltd and operates in accordance with the Insignia Financial Group’s Risk Management Policy. Risk management processes and activities are integrated with strategic planning, appetite, policies, reporting and governance to ensure that risk is managed effectively throughout Insignia Financial Ltd and its subsidiaries (collectively referred to as the “IFL Group”).

The Company’s objective is to satisfactorily manage risks in line with the Board approved Risk Management Framework (“RMF”). The key pillars of the RMF include:

- The Company Risk Management Strategy (RMS) which articulates the Company’s approach to the implementation of its strategic and business objectives and the key elements of the RMF that give effect to the strategy. It also includes a description of each material risk, including key roles and responsibilities for managing the risk, and outlines the risk governance structure;
- The Company Risk Appetite Statement (RAS), which sets out the Board’s expectations regarding the degree of risk that the Group is prepared to accept in pursuit of strategic and business objectives, giving consideration to the interests of clients and shareholders;
- The Insignia Financial Group’s Risk Management Policy (RMP) which sets out the methodology to identify, assess, manage, analyse, monitor and report on those risks that could impact the achievement of strategic objectives, impact core processes and/or result in non-compliance with obligations; and
- A three lines of defence governance model to govern risk management and compliance activities across the IFL Group. The three lines of defence model is the foundation for effective risk management. The overarching principle is that risk management capability must be embedded into the business to be effective.

Procedures are put in place to control and mitigate the risks faced by the Company depending on the nature of the risk. The Company’s overall risk is monitored by Management with regular reporting to the Company's Risk and Compliance and Audit Committees and the Board.

Note 17. Risk management policies and procedures (continued)

The Company is an RSE Licensee regulated by the Australian Prudential Regulation Authority (“APRA”) and is required to have systems for identifying, assessing, managing, mitigating and monitoring material risks that may affect its ability to meet its obligations to beneficiaries. These systems, together with the structures, policies, processes, and people supporting them, comprise the Company’s RMF. The Company’s Board is ultimately responsible for the Company’s RMF and approves the use of any IFL Group policies or functions and ensures that these policies and functions give appropriate regard to the Company’s business operations and its specific requirements. The Company’s compliance with the RMF is monitored by the Audit Committee, Risk and Compliance Committee and the Board.

The Company's income and operating cash flows are affected by movements in funds under administration which are impacted by changing market conditions. Information has been provided below only on the direct impact of changing market conditions to the Company's income and operating cash flows.

Note 18. Financial risk management

Financial Risk Management as discussed below considers the significant financial risks borne by the Company.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables such as interest rates, equity prices and foreign currency exchange rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Measurement
The following provides an analysis of the exposures of the different types of market risks.

Interest rate risk
Interest rate risk is the risk of loss arising from adverse changes in interest rates and the impact on future cash flows or the fair value of financial instruments.

The Company's exposure to interest rate risk is as follows:

	30 June 2023 $'000	30 June 2022 $'000
Cash and cash equivalents	35,854	46,846
Interest bearing securities	278,547	267,480
Derivatives	426	81
Total*	**314,827**	**314,407**

*APRA’s Prudential Standard SPS 114 requires that the ORFR be held within the trustee entity as capital or the RSE as reserves. Of this figure, $297,239,885 (30 June 2022: $285,720,500) is quarantined for the sole purpose of meeting the ORFR. Of this, $18,262,000 (30 June 2022: $18,138,000) was held in the form of cash and cash equivalents.

Interest rate sensitivity analysis
An increase or decrease in variable interest rates of 100 basis points (2022: 100 basis points) in interest rates would have a direct impact, net of tax, on the profit and loss and equity position as shown below.

	Profit or Loss		Equity	
	Increase $'000	Decrease $'000	Increase $'000	Decrease $'000
30 June 2023 (100 bps)	53	(52)	53	(52)
30 June 2022 (100 bps)	(686)	689	(686)	689

Other market risk
The Company has no material exposure to foreign exchange risk.

Note 18. Financial risk management (continued)

Credit risk
Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Company. Credit risk arises for the Company from cash and cash equivalents, term deposits and trade and other receivables.

The Company mitigates its credit risk by ensuring cash deposits and term deposits are held with high quality financial institutions.

Credit quality
The following table sets out the Company's exposure to credit risk and the credit quality of financial instruments at the balance sheet date:

30 June 2023	AAA	AA+ to A	A- or Lower	No credit rating	Total
	$'000	$'000	$'000	$'000	
Cash and cash equivalents	-	31,335	4,518	-	35,853
Interest bearing securities	30,483	32,238	215,826	-	278,547
Derivatives	-	-	-	426	426
Receivables	-	-	-	73,301	73,301
Total	**30,483**	**63,573**	**220,344**	**73,727**	**388,127**

30 June 2022	AAA	AA+ to A	A- or Lower	No credit rating	Total
	$'000	$'000	$'000	$'000	
Cash and cash equivalents	-	42,342	4,504	-	46,846
Interest bearing securities	15,032	27,989	189,650	34,809	267,480
Derivatives	-	-	-	81	81
Receivables	-	-	-	58,146	58,146
Total	**15,032**	**70,331**	**194,154**	**93,036**	**372,553**

Receivables consist of management fees receivable, service fees receivable and other amounts receivable from related parties. These counterparties generally do not have an independent credit rating, and the Company assesses the credit quality of the debtor taking into account its financial position, past experience with the debtor, and other available credit risk information.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets. At 30 June 2023, $225,000 of receivables are more than 90 days past due and were impaired during the year. The Company does not hold any collateral as security over its receivables.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting commitments associated with financial liabilities.

Demands for funds can usually be met through ongoing normal operations and the sale of assets or borrowing. Expected liquidity demands within the Company are managed through a combination of treasury, investment and asset-liability management guidelines, which are monitored on an ongoing basis. The Company regularly assesses and monitors the liquidity risk profile through analysis of liabilities that increase liquidity risk, reviews the investment portfolio to ensure adequate liquidity, and performs analysis of the expected asset and liability cash flows in regards to the ability of the business to meet cash demands.

All financial assets and liabilities are expected to be received and settled within one year.

Note 18. Financial risk management (continued)

Liquidity risk (continued)

The Company is a part of a Syndicated Facility Agreement with Insignia Financial Ltd and a group of syndicated lenders as a guarantor. Each guarantor jointly and severally guarantees to meet the syndicated lenders the financial obligations of Insignia Financial under the Syndicated Facility Agreement ("SFA"). The Company's ORFR is segregated and held outside of the security net set out in the SFA and the fund assets held on behalf of members is unavailable to the syndicated lenders. As Insignia Financial is the ultimate parent of the Company, Management considers the possibility of an outflow of resources embodying economic benefits as a result of the Company providing the guarantee as remote.

Fair value measurement
The following table provides an analysis of financial instruments that are measured at fair value, using a hierarchy that reflects the significance of inputs used in measuring the fair value hierarchy. The level in the fair value hierarchy within which a fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair vale measurement in its entirety. The fair value hierarchy is as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical financial assets or liabilities.
Level 2 - inputs other than quoted prices within Level 1 that are observable for the financial asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 - inputs for the financial asset or liability that are not based on observable market data (unobservable inputs).

The fair value estimates are based on the following methodologies and assumptions:

- The fair values of investments in unlisted unit trusts are based on redemption price as established by the Responsible Entity/trustee of the underlying trust.
- The fair values of interest bearing securities are based on a discounted cash flow model using a yield curve appropriate to the remaining maturity of the instruments and appropriate credit spreads.

Fair value measurement as at 30 June 2023

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Interest bearing securities	-	278,547	-	278,547
Derivatives	426	-	-	426
Total	426	278,547	-	278,973

Fair value measurement as at 30 June 2022

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Interest bearing securities	-	267,480	-	267,480
Derivatives	81	-	-	81
Total	81	267,480	-	267,561

There were no transfers between risk levels during the current or prior financial years.

Note 19. Notes to the Statement of cash flows

	30 June 2023 $'000	30 June 2022 $'000
Reconciliation of cash flows from operating activities		
Profit after tax for the year	**57,958**	**82,117**
Non-cash items		
- Investing activities included in profit	(11,518)	1,855
Changes in operating assets and liabilities		
- Change in trade and other receivables	706	1,868
- Change in receivables from related parties	(15,861)	(254)
- Change in deferred revenue	(3,737)	1,554
- Change in fee and commission payables	(7,700)	(1,055)
- Change in payables to related parties	31,321	(22,239)
- Change in deferred tax	1,233	(990)
Net cash from operating activities	**52,402**	**62,856**

Note 20. Remuneration of auditors

	30 June 2023 $	30 June 2022 $
Audit services - KPMG Australia		
Audit and review of financial reports	46,125	282,900
Audit and review of financial reports – managed superannuation funds	717,500	962,384
Other services - KPMG Australia		
Regulatory assurance services	192,700	103,472

KPMG auditor’s remuneration for the Company is allocated and paid by a related entity in the IFL Group. During the year, the IFL Group has changed the method used to allocate audit fees for company financial statement audits to ensure consistency across the IFL Group.

Note 21. Related party disclosures

(a) Immediate and ultimate controlling entity

The immediate parent entity is MLC Wealth Limited (“MLCW”), a company incorporated in Australia.

The ultimate parent entity is Insignia Financial Ltd. Insignia Financial produces consolidated financial statements available for public use and is incorporated in Australia. The Company has elected to prepare an individual parent financial statement, as allowed under *AASB 10 Consolidated Financial Statements*.

(b) Related party transactions that occurred during the period

(i) Transactions with related parties in the wholly owned group

Transactions and balances between the entities within the Group are made up of non-interest bearing funds and have no fixed terms of maturity. Management and administration services were provided by a commonly controlled entity, MLC Wealth Limited, on a cost recovery basis. Management expenses incurred during the year amounted to $341,674,122 (2022: $310,674,000). All other transactions were made on normal commercial terms and conditions. No receivable from a related party was impaired during the year.

During the year, the Company paid $15,750,000 (2022: Nil) Shareholder Capital Charge to a member of the IFL Group with the IFL Group's Shareholder Capital Charge arrangement effective 1 January 2023.

Note 21. Related party disclosures (continued)

(b) Related party transactions that occurred during the period

(i) Transactions with related parties in the wholly owned group

The Company paid investment management fees and performance fees to another IFL Group entity which is the appointed portfolio manager for a number of private equity trusts. The investment management fee incurred during the year amounted to $1,339,113 (2022: $3,005,668) and the performance fees incurred during the year amounted to $2,620,895 (2022: $3,510).

The Company paid investment advisory fees to another IFL Group entity for providing portfolio management and implementation services to multi asset investment options on behalf of both the Company as Trustee and product issuer of the superannuation funds. The investment advisory fee incurred during the year amounted to $5,400,464.97 (2022: $6,312,092).

The Company received Investor Rebates from another IFL Group entity for $5,020,539 (2022: $8,894,862).

At the balance date, the transactions with IFL Group subsidiaries comprised of the amounts below:

	30 June 2023 $	30 June 2022 $
Receivables from entities within the IFL Group	17,461,684	1,600,544
Payables to entities within the IFL Group	64,421,528	33,100,538

Transactions with related parties include net GST payables and tax expenses, which are payable under the tax-consolidated group agreement.

There have been no guarantees given or received. No outstanding amounts have been written down or recorded as allowances as they are considered fully collectible.

(ii) Transactions with ultimate parent

There have been no transactions with the ultimate parent entity for the year ended 30 June 2023 (2022: $Nil).

(iii) Other transactions with key management personnel
Key management personnel (“KMP”) and their related parties held investments in related underlying managed investment schemes and superannuation funds.

Note 22. Key management personnel disclosures

Directors
The following persons were Directors of NULIS Nominees (Australia) Limited during the whole financial year and up to the date of this report unless otherwise stated:

Mr Robert A Bloore (resigned 9 December 2022)
Ms Karen N Gibson
Ms Jane M Harvey
Ms Beth V McConnell
Mr Steven J Schubert
Mr Lindsay R Smartt

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year:

Note 22. Key management personnel disclosures (continued)

Mr Renato Mota (Chief Executive Officer)
Ms Sarah Burley (Chief Member Officer) (resigned 16 December 2022)
Mr David Chalmers (Chief Financial Officer)
Ms Anne Coyne (Chief Member Officer) (appointed 10 January 2023)
Mr Daniel Farmer (Chief Investment Officer)
Mr Frank Lombardo (Chief Operating & Technology Officer)
Mr Mark Oliver (Chief Distribution Officer)
Mr Anvij Saxena (Chief Risk Officer) (appointed 27 March 2023)
Ms Lorna Stewart (Chief Risk Officer) (resigned 16 December 2022)
Mr Christopher Weldon (Chief Transformation Officer)

The compensation of key management personnel ("KMP"), comprising of the Directors and senior management of the business, is provided by a related entity of the IFL Group. The total of this compensation is as follows:

	2023*	**2022**
	$	**$**
Short term employment benefits	7,935,025	4,457,199
Post-employment benefits	359,471	231,713
Share based payments	2,142,627	763,922
Termination benefits	215,475	47,717
Total	**10,652,598**	**5,500,551**

*The composition of the other key management personnel was revisited in the current year.

The compensation of KMP has been disclosed in accordance with their roles within the IFL Group. Employee service contracts do not include any compensation, including bonuses, specifically related to the role of KMP of the Company. As the roles of the KMPs within the IFL Group include activities relating to the Company as well as other entities within the IFL Group, the KMP compensation amount in the current year has not been allocated to a particular entity and as such the entire compensation of the relevant KMPs has been disclosed above.

Note 23. Structured entities

A structured entity ("SE") is an entity in which voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities and are often thinly capitalised with a reliance on debt financing for support.

SEs are consolidated when control exists in accordance with the accounting standard *AASB12 Disclosure of Interests in Other Entities*. In other cases, the Company may simply have an interest or may sponsor a SE but not consolidate it.

A disclosable 'interest' in an unconsolidated SE is not considered to exist where the Company's involvement does not establish more than a passive interest. On this basis, exposures to unconsolidated SEs that arise from the Company's investing activities are not considered disclosable interests.

Sponsored unconsolidated structured entities

For the purposes of this disclosure, the Company considers itself the 'sponsor' of a SE where it is the primary party involved in the design and establishment of that SE and where the Company is the majority user of that SE, or Company's name appears in the name of that SE or on its products, or the Company provides implicit or explicit guarantees of that entity's performance.

The Company is the sponsor of a number of superannuation funds for which it acts as Trustee. The Company did not have any interest in this SE during the year ended 30 June 2023, other than the fee income and the reimbursement of expenses incurred on behalf of the superannuation funds it receives for its trustee services. The superannuation funds are not consolidated by the Company.

During the year, the Company recognised income of $435,654,348 (2022: $437,096,347) from its sponsored unconsolidated SE, in the form of management and administration fees and reimbursements of $5,265,907 (2022: $5,184,000).

Note 24. Contingent liability

The Company may from time to time be exposed to contingent liabilities and potential claims in respect of the activities of the underlying trusts for which it acts as the RSE Trustee. As at the date of this report, there are no contingent liabilities where the underlying fund is not expected to have sufficient assets to indemnify the RSE Trustee as appropriate.

As part of the operations of the business, the Company has been subject to various legal actions and claims. Outcomes in relation to these actions and claims are uncertain and no provisions are required at balance sheet date.

As identified in Note 18, the Company is party to the Insignia Financial Group Syndicate Facility Agreement as a guarantor. At the date of this report, there is no financial liability for the Company under this agreement.

Class Actions and potential regulatory investigation
In October 2019, litigation funder Omni Bridgeway (formerly IMF Bentham) and William Roberts Lawyers commenced a class action against the Company alleging breaches of the Company's trustee obligations to act in the best interests of the former members of The Universal Super Scheme in deciding to maintain grandfathered commissions on their transfer into the MLC Super Fund on 1 July 2016. The Company filed its defence in the proceeding in February 2020 and further defences to further amended statements of claim including most recently in November 2022.

In January 2020, Maurice Blackburn commenced a class action in the Supreme Court of Victoria against the Company and MLC Nominees Pty Ltd (MLCN) alleging breaches of the Company's and MLCN's trustee obligations in connection with the timeliness in which the Company and MLCN effected transfers of members' accrued default amounts to the MySuper product. The Company and MLCN filed their joint defence in the proceedings in April 2020 and a further defence to a further amended statement of claim in June 2022. In March 2021, Maurice Blackburn commenced a substantially identical class action in the Federal Court against the Company and MLCN. The Federal Court class action has been cross-vested to the Victorian Supreme Court and consolidated with the Supreme Court class action.

The potential outcomes and total costs associated with these matters remain uncertain. While NULIS and MLCN were acquired from NAB on 31 May 2021, subject to terms, NAB remains liable for, and retains conduct of, those class actions pursuant to the terms agreed between NAB and IFL.

Workplace Super
A number of investigations are being carried out in relation to workplace super, including matters where some employer superannuation plans and member entitlements were not correctly set up in the administration systems, and matters relating to disclosure and administration of certain features of the super product such as insurance and fees. The immediate parent entity has recognised provisions where it could be reliably estimated. The potential outcome and total costs associated with these matters remain uncertain.

Other remediation matters
There are a number of other remediation matters under investigation within certain super and wrap products including member tax positions. The potential outcomes and total costs associated with these matters remain uncertain. Provisions in relation to these matters have been recognised by the immediate parent entity where appropriate.

Note 25. Liability as a trustee

The Company acts as a Trustee for the following superannuation funds:

- MLC Super Fund
- MLC Superannuation Fund
- MLC Pooled Superannuation Trust
- DPM Retirement Service
- Premium Choice Retirement Service

The financial statements reflect the fiduciary nature of the Company's responsibility and as such do not show the assets and liabilities of the superannuation funds. The Company will only be liable if it commits a breach of its fiduciary duties.

At balance date, the assets of the superannuation funds are sufficient to meet its liabilities.

Note 26. Commitments

There were no capital or lease expenditure commitments as at 30 June 2023 (2022: $Nil).

Note 27. Events since the end of the reporting period

There have been no significant events from 30 June 2023 to the date of signing this report.

Directors' Declaration

The Directors of NULIS Nominees (Australia) Limited (the "Company") declare that:

a) in the Directors' opinion, the financial statements of the Company and the notes thereto, have been prepared in accordance with the *Corporations Act 2001*, including that:
   i. they comply with applicable Australian Accounting Standards and the *Corporations Regulations 2001*;
   ii. they give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and
   iii. the financial statements and notes to the financial statements of the Company comply with International Financial Reporting Standards as described in Note 2; and

b) in the Directors' opinion, 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 the Directors, made pursuant to section 295(5)(a) of the *Corporations Act 2001* for the year ended 30 June 2023.

Lindsay Smartt
Director

23 August 2023

KPMG

Independent Auditor's Report

To the shareholders of NULIS Nominees (Australia) Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of NULIS Nominees (Australia) Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2023;
- Statement of profit or loss, Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in NULIS Nominees (Australia) Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards and the Corporations Act 2001*
- implementing necessary internal control 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
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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 at:
https://www.auasb.gov.au/admin/file/content102/c3/ar4_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Chris Wooden

Partner

Melbourne

23 August 2023