# NULIS Nominees (Australia) Limited

**ABN 80 008 515 633**

# Annual Report - 30 June 2024

**NULIS Nominees (Australia) Limited**
**Directors' Report**
**30 June 2024**

The Directors present their report, together with the financial statements of NULIS Nominees (Australia) Limited ("the Company") for the year ended 30 June 2024 and the auditor's report thereon. The ultimate parent entity is Insignia Financial Ltd ("IFL").

**Directors**
The following persons were Directors of the Company during the entire financial year and up to the date of this report, unless otherwise stated:

Mr Lindsay Smartt*
Ms Karen Gibson
Ms Jane Harvey (resigned 15 December 2023)
Ms Beth McConnell
Ms Marianne Perkovic (appointed 3 October 2023)
Mr Mario Pirone (appointed 3 October 2023)
Mr Steven Schubert

* Mr Lindsay Smartt, Chair and Non-Executive Director will depart the board before the end of 2024. Danielle Press has been announced as Non-Executive Director from 19 September 2024 and Chair from November 2024.

**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 Registrable Superannuation Entities (RSEs) under an instrument of approval granted by the Australian Prudential Regulation Authority ("APRA").

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

**Dividends**
Dividends of $35,500,000 (2023: $63,500,000) were paid during the year ended 30 June 2024.

**Review of operations**
The profit after income tax of the Company was $33,412,000 (2023: $57,958,000).

The operating profit for the year was lower than the prior year, primarily driven by higher operating expenses incurred during the current year.

**State of affairs**
During the year, the Company and I.O.O.F. Investment Management Limited (IIML) approved the Successor Fund Transfers (SFTs) of the following RSEs to the IOOF Portfolio Service Superannuation Fund (ABN 70 815 369 818) (IPS Fund).

• MLC Superannuation Fund (ABN 40 022 701 955) (MLCSF);
• PremiumChoice Retirement Service (ABN 70 479 285 132) (PCRS); and
• DPM Retirement Service (ABN 40 725 722 496) (DPMRS).

As a consequence of the Company's approval of the SFTs, all assets and liabilities of these funds, were transferred to the IPS Fund on 29 March 2024 and no members or assets remained in any of these funds. In April 2024, a reduction in $89.8m of the Operational Risk Financial Requirement ("ORFR") held in the Company was made following the SFTs. A capital return was made to the parent entity MLC Wealth Limited in April 2024 following the ORFR reduction.

To facilitate the SFT, the Company resolved to windup the MLC Pooled Superannuation Trust (ABN 89 787 168 280) ("PST") with the effective date of 29 March 2024. Accordingly, all Net Assets were transferred to Unit Holders Unit Holders, being the MLC Superannuation Fund and the PST was wound up on this date.

There have been no other 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 2024 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.

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 and other macro-economic conditions**
The Company's management and services fee revenue is directly driven by the Company's Funds under Management and Administration ("FUMA") balance at any given point of time. Market movements along with net flows are a significant contributor to FUMA and are therefore impacted by current and future macroeconomic conditions.

In preparing the financial report, the Company has considered the impact of geopolitical tensions and other macroeconomic conditions in its adoption of significant assumptions and market inputs used in:

- valuing the Company's financial instruments; and
- preparing disclosures for the fair value of financial assets and liabilities and financial risk management.

The Company has reviewed the appropriateness of inputs to the valuation of financial instruments and the disclosures for the fair value of financial instruments which may have been impacted by a variety of factors arising from changed business conditions as a result of geopolitical tensions and other macroeconomic conditions. The Company's financial instruments are valued using directly observable inputs whenever possible as these are considered to be the most reliable and appropriate evidence of fair value.

Non-financial risks emerging from global inflation hikes, tightening monetary policies, global geopolitical tensions have been identified, assessed, managed and governed through timely application of the Company's risk management policies.

Management continues to monitor the impact of global economic uncertainty to the business environment including ongoing assessment of market risk, credit risk and liquidity risk associated with the business.

**Company secretaries**
The following persons were company secretaries during the entire 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 Company.

The liabilities insured include 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 and in accordance with that, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars unless otherwise indicated.

**Auditor's independence declaration**
The lead auditor's independence declaration is set out on page 4 of the annual report and forms part of the Directors' report.

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

18 September 2024

# 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 30 June 2024 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

KPMG

Dean Waters

*Partner*

Melbourne

18 September 2024

**NULIS Nominees (Australia) Limited**
**Statement of comprehensive income**
**For the year ended 30 June 2024**

| | Note | 30 June 2024<br>$'000 | 30 June 2023<br>$'000 |
|---|---|---|---|
| **Revenue** | | | |
| Management fee revenue | 4 | 449,504 | 442,152 |
| Interest income | 5 | 11,027 | 8,784 |
| Other revenue | 6 | 15,843 | 14,413 |
| **Expenses** | | | |
| Service fee and other direct costs | 7 | (3,640) | (10,317) |
| Operating expenses | 8 | (413,700) | (363,081) |
| Other expenses | | (11,303) | (9,154) |
| **Profit before income tax expense** | | **47,731** | **82,797** |
| Income tax expense | 9 | (14,319) | (24,839) |
| **Profit after income tax for the year** | | **33,412** | **57,958** |
| Other comprehensive income | | - | - |
| **Total comprehensive income for the year** | | **33,412** | **57,958** |

***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 2024**

| | Note | 30 June 2024<br>$'000 | 30 June 2023<br>$'000 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 10 | 32,149 | 35,854 |
| Trade and other receivables | 11 | 48,420 | 55,839 |
| Prepayments | | 845 | - |
| Receivables from related parties | 21 | - | 17,462 |
| Financial assets measured at fair value through profit or loss | 12 | 198,358 | 278,973 |
| Deferred tax assets | 13 | 152 | - |
| **Total assets** | | **279,924** | **388,128** |
| **Liabilities** | | | |
| Fees payable | | 5,570 | 1,258 |
| Payables to related parties | 21 | 43,417 | 64,422 |
| Provisions | | 281 | - |
| Deferred tax liabilities | 13 | - | 204 |
| **Total liabilities** | | **49,268** | **65,884** |
| **Net assets** | | **230,656** | **322,244** |
| **Equity** | | | |
| Share capital | 14 | 225,750 | 315,250 |
| Retained profits | | 4,906 | 6,994 |
| **Total equity** | | **230,656** | **322,244** |

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

**NULIS Nominees (Australia) Limited**
**Statement of changes in equity**
**For the year ended 30 June 2024**

| | Note | Share Capital<br>$'000 | Retained profits<br>$'000 | Total Equity<br>$'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** |

| | Note | Share Capital<br>$'000 | Retained profits<br>$'000 | Total Equity<br>$'000 |
|---|---|---|---|---|
| **Balance at 1 July 2023** | | **315,250** | **6,994** | **322,244** |
| Profit after income tax for the year | | - | 33,412 | 33,412 |
| Other comprehensive income | | - | - | - |
| **Total comprehensive income** | | **-** | **33,412** | **33,412** |
| Capital Return | 14 | (89,500) | - | (89,500) |
| Dividend paid | 15 | - | (35,500) | (35,500) |
| **Total capital transactions** | | **(89,500)** | **(35,500)** | **(125,000)** |
| **Balance at 30 June 2024** | | **225,750** | **4,906** | **230,656** |

***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 2024**

| | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | **$'000** | **$'000** |
| Receipts from customers and related parties | | 665,490 | 637,944 |
| Payments to suppliers and related parties | | (628,109) | (563,156) |
| | | 37,381 | 74,788 |
| Interest income received | | 1,098 | 1,221 |
| Income tax paid | | (14,674) | (23,607) |
| **Net cash from operating activities** | 19 | **23,805** | **52,402** |
| **Cash flows from investing activities** | | | |
| Proceeds from sale and maturity of financial assets | | 325,829 | 169,336 |
| Purchase of financial assets | | (228,339) | (169,230) |
| **Net cash from investing activities** | | **97,490** | **106** |
| **Cash flow from financing activities** | | | |
| Capital return | 14 | (89,500) | - |
| Dividend paid | 15 | (35,500) | (63,500) |
| **Net cash from financing activities** | | **(125,000)** | **(63,500)** |
| **Net decrease in cash and cash equivalents** | | **(3,705)** | **(10,992)** |
| Cash and cash equivalents at the beginning of the year | | 35,854 | 46,846 |
| **Cash and cash equivalents at the end of the year** | 10 | **32,149** | **35,854** |

**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 18 September 2024.

## Note 2. Material 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 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 2023.

*New accounting standards and amendments to accounting standards issued but not yet effective*
A number of new standards and amendments to accounting standards have been issued but are not yet effective, have not been early adopted by the Company. These standards and amendments to accounting standards, when applied in future periods, are not expected to have a material impact on the financial position or financial performance of the Company other than discussed below:

*AASB 18 Presentation and Disclosure in Financial Statements*
AASB 18 Presentation and Disclosure in Financial Statements will be applicable to the Company for the 30 June 2028 financial year. The standard will replace AASB 101 Presentation of Financial Statements. The standard establishes key presentation and disclosure requirements including newly defined subtotals in the statement of profit or loss, the disclosure of management-defined performance measures and enhanced requirements for grouping information.

## Note 2. Material accounting policies (continued)

### Basis of preparation (continued)

*Rounding*
In accordance with ASIC Corporations Instrument 2016/191, the financial report has been rounded to the nearest thousand dollars unless otherwise indicated.

*Functional and presentation currency*
The 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.

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

Performance fees are earned from some agreements when contractually agreed performance levels are met or 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.

*Interest income*
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.

Interest income on financial assets measured at fair value at presented as interest income in the Statement of comprehensive income.

*Gain and losses on fair value of financial assets*
Gains and losses from changes in the fair value of investments recognised at fair value through profit or loss are recognised in the profit and loss in the period they occur.

*Other revenue*
Other revenue is recognised when it is received or when the right to receive payment (including fund expense recoveries) is established.

### Expense recognition

Service fees and other operating expenses are recognised in profit and loss on an accrual basis.

**Note 2. Material accounting policies (continued)**

**Income tax**

The income tax expense or benefit for the year is the tax payable on that year'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 years, where applicable.

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.

The Company is a member of a tax consolidated group, with the head entity of the tax consolidated group being Insignia Financial Ltd. 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.

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 when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans 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 when the Company has discharged its obligation or the contract is cancelled or expires.

**Note 2. Material accounting policies (continued)**

**Assets (continued)**

*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 assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

*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. 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 initially recognised when they are originated and are measured at amortised cost less impairment losses. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

**Note 2. Material accounting policies (continued)**

### Liabilities

*Fees 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.

### 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 income and expense 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, such as adviser service fees; or
- where costs are incurred on behalf of customers from whom the Company is reimbursed.

*Offsetting assets and liabilities*
Assets and liabilities are offset and the net amount presented 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.

*Provisions*
In relation to customer remediation, determining the amount of the provision, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of judgement. It will often be necessary to form a view on assumptions, including the number of impacted customers and the average refund per customer, having regard to their specific facts and circumstances. Consequently, the appropriateness of the underlying assumptions is reviewed on a regular basis and adjustments are made to the provisions where appropriate.

## Note 4. Management fee revenue

| | 30 June 2024<br>$'000 | 30 June 2023<br>$'000 |
|---|---|---|
| Management fees | 192,697 | 173,080 |
| Administration fees | 240,316 | 251,847 |
| Other fee income | 16,491 | 17,225 |
| **Total management fee revenue** | **449,504** | **442,152** |

## Note 5. Interest income

| | 30 June 2024<br>$'000 | 30 June 2023<br>$'000 |
|---|---|---|
| Interest revenue on cash at bank | 1,098 | 1,221 |
| Interest revenue on financial assets measured at fair value | 9,929 | 7,563 |
| **Total interest income** | **11,027** | **8,784** |

## Note 6. Other revenue

| | 30 June 2024<br>$'000 | 30 June 2023<br>$'000 |
|---|---|---|
| Fund related expense recovery | 4,366 | 5,266 |
| Gain on fair value of financial assets | 6,947 | 3,954 |
| Sundry income | 4,530 | 5,193 |
| **Total other revenue** | **15,843** | **14,413** |

## Note 7. Service fees and other direct costs

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| | $'000 | $'000 |
| Investment management service expense | (2,108) | (9,862) |
| Custody fees | (1,532) | (455) |
| **Total service fee and other direct costs** | **(3,640)** | **(10,317)** |

## Note 8. Operating expenses

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| | $'000 | $'000 |
| Service fees paid to related parties | (379,229) | (341,674) |
| Shareholder capital charge* | (30,300) | (15,750) |
| Fund related expense | (4,171) | (5,657) |
| **Total operating expenses** | **(413,700)** | **(363,081)** |

*Refer to Note 21 for further details.

## Note 9. Income tax expense

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| | $'000 | $'000 |
| **Recognised in Statement of comprehensive income** | | |
| Current tax | (14,675) | (23,621) |
| Adjustment for prior year | - | 15 |
| | **(14,675)** | **(23,606)** |
| Deferred tax – original and reversal of temporary differences | 356 | (1,219) |
| Adjustment recognised in the current year in relation to the deferred tax of prior year | - | (14) |
| | 356 | (1,233) |
| **Income tax expense** | **(14,319)** | **(24,839)** |
| *Numerical reconciliation of income tax expense and tax at the statutory rate* | | |
| **Profit before income tax** | **47,731** | **82,797** |
| Tax at the statutory tax rate of 30% (2023: 30%) | (14,319) | (24,839) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Non-deductible benefits | - | - |
| **Income tax expense** | **(14,319)** | **(24,839)** |

## Note 10. Cash and cash equivalents

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| | $'000 | $'000 |
| Cash at bank | 6,197 | 17,592 |
| Call deposits* | 25,952 | 18,262 |
| **Total cash and cash equivalents** | **32,149** | **35,854** |

*Held for Operational risk financial requirement ("ORFR") purposes. Refer to Note 16 and 18 for details.

### Note 11. Trade and other receivables

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| | $'000 | $'000 |
| Trade debtors | 35,325 | 27,414 |
| Provision for doubtful debts* | (10) | (225) |
| | 35,315 | 27,189 |
| Accrued income | 13,105 | 28,650 |
| **Trade and other receivables** | **48,420** | **55,839** |

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

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

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| | $'000 | $'000 |
| **Current** | | |
| Investments in interest bearing securities | 62,047 | 87,150 |
| Derivatives | 302 | 426 |
| | **62,349** | **87,576** |
| **Non-current** | | |
| Investments in interest bearing securities | 136,009 | 191,397 |
| | **136,009** | **191,397** |
| **Financial assets measured at fair value through profit or loss** | **198,358** | **278,973** |

### Note 13. Deferred tax assets/(liabilities)

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| | $'000 | $'000 |
| Deferred tax assets / (liabilities) comprises temporary differences attributable to: | | |
| Provision for doubtful debts | 3 | 68 |
| Unearned income | - | - |
| Accrued expenses | 65 | 122 |
| Accrued revenue | - | (394) |
| Provision | 84 | - |
| **Deferred tax assets / (liabilities)** | **152** | **(204)** |
| | | |
| **Reconciliation of movements** | | |
| Net carrying amounts at the beginning of the year | (204) | 1,029 |
| Recognised in profit or loss | 356 | (1,233) |
| Recognised in other comprehensive income | - | - |
| **Carrying amount at the end of the year** | **152** | **(204)** |

### Note 14. Share capital

| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
|---|---|---|---|---|
| | Shares | Shares | $ | $ |
| Ordinary shares - fully paid | 225,750,000 | 315,250,000 | 225,750,000 | 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.

## Note 14. Share capital (continued)

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.

A capital reduction of $89.5m via the cancellation of an equivalent number of ordinary shares and the return of share capital to its sole shareholder, MLC Wealth Limited occurred in April 2024. There were no other changes to share capital in the periods.

## Note 15. Dividends paid

| | 30 June 2024<br>$'000 | 30 June 2023<br>$'000 |
|---|---|---|
| **Dividend on ordinary shares:** | | |
| Final dividend for 2023: 1.84 cents (2022: 4 cents) per share | 5,800 | 12,500 |
| Interim dividend for 2024: 2.85 cents (2023: 6 cents) per share | 9,000 | 19,000 |
| Interim dividend for 2024: 3.97 cents (2023: 6.3 cents) per share | 12,500 | 20,000 |
| Interim dividend for 2024: 2.6 cents (2023: 3.8 cents) per share | 8,200 | 12,000 |
| **Total dividends paid by the Company during the year** | **35,500** | **63,500** |

## 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 2024, the ORFR had been met through Company ORFR trustee capital of $224,315,900 (2023: $297,239,885).

The reduction in ORFR during the year is primarily due to the $89.8m ORFR release in April 2024, following the Successor Fund Transfers (SFTs) of the MLC Superannuation Fund, PremiumChoice Retirement Service, DPM Retirement Service to the IOOF Portfolio Service Superannuation Fund and windup of the MLC Pooled Superannuation Trust.

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 Board is responsible for establishing and overseeing the Company's Risk Management Framework ("RMF") and has delegated authority for the oversight and monitoring of the RMF to the Company Risk and Compliance Committee and the Chief Executive Officer (or their delegate). The RMF embeds a robust, clearly defined framework of proactive risk identification, continuous risk assessment and targeted management of risk across all Insignia Financial's business operations in managing material risks. 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 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;

**Note 17. Risk management policies and procedures (continued)**

- The Company Risk Appetite Statement ("RAS"), which sets out the Board's expectations regarding the degree of risk that the Company is prepared to accept in pursuit of strategic and business objectives, giving consideration to the interests of clients and shareholders;
- The Company 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;
- A Three Lines of Accountability ("3LoA") model to govern risk management and compliance activities across the Group. The 3LoA model represents the three levels of risk management that facilitate the effective operation of the RMF. The overarching principle is that risk management capability must be embedded into the business to be effective.

In November 2022, APRA imposed additional licence conditions on the Insignia Financial Registrable Superannuation Entity Licensees (RSELs), including this company. These conditions included:

- Enhancement of the RSELs' 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 RSELs' 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. The Company has appointed an independent expert who is overseeing the execution of additional license conditions. Regular quarterly status have been provided to APRA from the independent expert on the Company's activities to rectify any and all areas of concern identified by them.

**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 the fair value of financial instruments.

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

| | **30 June 2024 $'000** | **30 June 2023 $'000** |
|---|---|---|
| Cash and cash equivalents | 32,149 | 35,854 |
| Interest bearing securities | 198,056 | 278,547 |
| Derivatives | 302 | 426 |
| **Total*** | **230,507** | **314,827** |

*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, $224,315,900 (30 June 2023: $297,239,885) is quarantined for the sole purpose of meeting the ORFR. Of this, $25,952,000 (30 June 2023: $18,262,000) was held in the form of cash and cash equivalents.

**Note 18. Financial risk management (continued)**

*Interest rate sensitivity analysis*
An increase or decrease in variable interest rates of 100 basis points (2023: 100 basis points) in interest rates would have a direct impact, net of tax, on the profit or loss and equity position as shown below.

| | Profit or Loss | | Equity | |
|---|---|---|---|---|
| | Increase $'000 | Decrease $'000 | Increase $'000 | Decrease $'000 |
| 30 June 2024 (100 bps) | (66) | 67 | (66) | 67 |
| 30 June 2023 (100 bps) | 53 | (52) | 53 | (52) |

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

**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, cash equivalents and financial assets measured at fair value through profit or loss.

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 2024** | **AAA** | **AA+ to A** | **A- or Lower** | **No credit rating** | **Total** |
|---|---|---|---|---|---|
| | **$'000** | **$'000** | **$'000** | **$'000** | **$’000** |
| Cash and cash equivalents | - | 27,631 | 4,518 | - | 32,149 |
| Interest bearing securities | 14,507 | 96,453 | 87,096 | - | 198,056 |
| Derivatives | - | - | - | 302 | 302 |
| Receivables | - | - | - | 48,420 | 48,420 |
| Total | **14,507** | **124,084** | **91,614** | **48,722** | **278,927** |

| **30 June 2023** | **AAA** | **AA+ to A** | **A- or Lower** | **No credit rating** | **Total** |
|---|---|---|---|---|---|
| | **$'000** | **$'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** |

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 2024, $10,000 (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.

**Note 18. Financial risk management (continued)**

**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 liabilities are expected to be received and settled within one year.

The Company is one of the guarantors for Insignia Financial Ltd in relation to a Syndicated Facility Agreement ("SFA") between IFL and a group of syndicated lenders. Each guarantor jointly and severally guarantees to meet the syndicated lenders the financial obligations of IFL under the SFA. The Company's ORFR is segregated and held outside of the security net set out in the SFA. The fund assets which are held on behalf of members are unavailable to the syndicated lenders. As IFL 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 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 2024**

| | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Interest bearing securities | - | 198,056 | - | 198,056 |
| Derivatives | 302 | - | - | 302 |
| Total | 302 | 198,056 | - | 198,358 |

**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 |

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 2024 $'000 | 30 June 2023 $'000 |
|---|---|---|
| **Reconciliation of cash flows from operating activities** | | |
| **Profit after tax for the year** | **33,412** | **57,958** |
| **Non-cash items** | | |
| - Investing activities included in profit | (16,875) | (11,518) |
| **Changes in operating assets and liabilities** | | |
| - Change in trade and other receivables | 7,419 | 706 |
| - Change in prepayment | (845) | - |
| - Change in receivables from related parties | 17,462 | (15,861) |
| - Change in deferred revenue | - | (3,737) |
| - Change in fee and commission payables | 4,312 | (7,700) |
| - Change in payables to related parties | (21,005) | 31,321 |
| - Change in provision | 281 | - |
| - Change in deferred tax | (356) | 1,233 |
| **Net cash from operating activities** | **23,805** | **52,402** |

## Note 20. Remuneration of auditors

| | 30 June 2024 $ | 30 June 2023 $ |
|---|---|---|
| *Audit services - KPMG Australia* | | |
| Audit and review of financial reports | 46,125 | 46,125 |
| Audit and review of financial reports – managed superannuation funds | 512,500 | 717,500 |
| *Other services - KPMG Australia* | | |
| Regulatory assurance services | 192,700 | 192,700 |

KPMG auditor’s remuneration for the Company is allocated and paid by a related entity in 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.

### (b) Related party transactions that occurred during the year

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

Transactions and balances between the entities within the IFL 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 $379,228,881 (2023: $341,674,122). All other transactions were made on normal commercial terms and conditions. No receivable from a related party was impaired during the year.

**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 several private equity trusts. The investment management service expense incurred during the year amounted to $1,312,171 (2023: $1,339,113). No performance fees incurred during the year (2023: $2,620,895).

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 $290,958 (2023: $5,400,465).

The Company received Investor Rebates from another IFL Group entity for $5,648,706 (2023: $5,020,539).

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

| | 30 June 2024<br>$ | 30 June 2023<br>$ |
|---|---|---|
| Receivables from entities within the IFL Group | - | 17,461,684 |
| Payables to entities within the IFL Group | 44,417,554 | 64,421,528 |

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. All transactions were made on commercial terms and conditions and at market rates. No receivable from a related party was impaired during the year or prior year.

*(ii) Transactions with ultimate parent*

During the year, the Company paid $30,300,000 (2023: $15,750,000) Shareholder Capital Charge to IFL in relation to the IFL Group's Shareholder Capital Charge arrangement effective 1 January 2023.

*(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 Lindsay Smartt
Ms Karen Gibson
Ms Jane Harvey (resigned 15 December 2023)
Ms Beth McConnell
Ms Marianne Perkovic (appointed 3 October 2023)
Mr Mario Pirone (appointed 3 October 2023)
Mr Steven Schubert

* Mr Lindsay Smartt, Chair and Non-Executive Director will depart the board before the end of 2024. Danielle Press has been announced as Non-Executive Director from 19 September 2024 and Chair from November 2024.

**Note 22. Key management personnel disclosures (continued)**

*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:

Mr Scott Hartley (Chief Executive Officer) (commenced 1 March 2024)
Mr Renato Mota (Chief Executive Officer) (ceased KMP duties effective 29 February 2024)
Mr David Chalmers (Chief Financial Officer)
Ms Anne Coyne (Chief Member Officer) (ceased KMP duties effective 23 February 2024)
Mr Daniel Farmer (Chief Investment Officer)
Ms Sally Hopwood (Acting Chief Member Officer) (commenced 26 February 2024, ceased KMP duties effective 26 July 2024)
Mr Frank Lombardo (Chief Operating & Technology Officer) (ceased KMP duties effective 26 July 2024)
Mr Mark Oliver (Chief Distribution Officer) (ceased KMP duties effective 26 July 2024)
Mr Anvij Saxena (Chief Risk Officer)
Ms Mel Walls (Chief People Officer) (commenced 1 July 2023)
Mr Christopher Weldon (Chief Transformation Officer/ Chief Client Officer) (ceased KMP duties effective 26 July 2024)

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:

| | **2024** | **2023** |
|---|---|---|
| | **$** | **$** |
| Short term employment benefits | 3,204,617 | 1,535,115 |
| Post-employment benefits | 155,007 | 107,231 |
| Share based payments | 241,373 | 156,702 |
| Termination benefits | 662,408 | 24,952 |
| **Total** | **4,263,405** | **1,824,000** |

The compensation of KMP has been disclosed in accordance with their roles within the IFL Group as employee service contracts do not include any compensation, including bonuses, specifically related to the role of KMP of the Company. 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 disclosed above relates only to the portion of compensation allocated to the Company's activities. The prior year comparative amounts have been restated to conform to the current year's presentation.

**Note 23. 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 one of the guarantors in relation to the Insignia Financial Group Syndicate Facility Agreement. At the date of this report, there is no financial liability for the Company under this agreement.

## Note 23. Contingent liability (continued)

*Class Actions*

The Company is party to the following class actions.

- a class action against NULIS and MLC Nominees Pty Ltd (MLC Nominees) in the Victorian Supreme Court in relation to alleged breaches of trustee obligations regarding the timing of transfers of accrued default amounts to the MySuper product;
- a class action against NULIS Nominees (Australia) Limited (NULIS) in the Federal Court in relation to alleged breaches of trustee obligations in deciding to grandfather commissions;

The potential outcomes and total costs associated with these matters remain uncertain. While NULIS and MLC Nominees 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.

*Remediation matters*
There are several remediation matters under investigation within certain super and wrap products. The potential outcomes and total costs associated with these matters remain uncertain and any provisions raised in relation to these matters have been recognised by the immediate parent entity where appropriate.

## Note 24. Commitments

There were no capital or lease expenditure commitments as at 30 June 2024 (2023: nil).

## Note 25. Events since the end of the reporting period

There have been no significant events from 30 June 2024 to the date of signing this report.

## Consolidated entity disclosure statement

The Company is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements and as a result subsection 295(3A)(a) of the Corporations Act 2001 to prepare a *Consolidated Entity Disclosure Statement* does not apply to the Company.

## 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 2024 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date;
   iii. the financial statements and notes to the financial statements of the Company comply with International Financial Reporting Standards as described in Note 2;
   iv. the Consolidated entity disclosure statement is true and correct; 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 2024.

Lindsay Smartt
Director

18 September 2024

# 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 gives a true and fair view, including of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2024;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- 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 report 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 in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and that 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.

KPMG

KPMG

Dean Waters

*Partner*

Melbourne

18 September 2024