

NBFI Secured Investments

91 111 607 606

Financial Statements

For the Half Year Ended 31 December 2023

NBFI Secured Investments

For the Half Year Ended 31 December 2023

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Directors' Report For the Half Year Ended 31 December 2023

The directors present their report on NBFI Secured Investments for the financial half year ended 31 December 2023.

1. General information

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

Henry Pinski

Peter David Wright

Geoffrey John Wensley

Craig Stephen Hitchings

Principal activities

The principal activity of NBFI Secured Investments during the financial half year was Debenture and Borrowing facilities.

No significant changes in the nature of the Company's activity occurred during the financial half year.

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ 156,104 (2022: \$ 531,457).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial half year. No recommendation for payment of dividends has been made.

3. Other items

Significant changes in state of affairs

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

Events after the reporting date

No matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

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 as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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**Directors' Report
For the Half Year Ended 31 December 2023**

3. Other items

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

All Directors of NBFI Investments are covered by PI to the value fo \$2.5 Million.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2023 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: C Hitchings
Craig Stephen Hitchings

Director: Peter David Wright
Peter David Wright

Dated 12 April 2024

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Directors' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 15, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half year ended on that date of the Company.
- 2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director C Hitchings.....

Director .....
Peter Wright

Dated 12 April 2024

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of NBFI Secured Investments

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 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.



Chartered Accountant

Raul Valois CA

Sydney

Dated this ...12th...of April...2024

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Statement of Profit or Loss and Other Comprehensive Income For the Half Year Ended 31 December 2023

	31 December 2023	30 June 2023
	\$	\$
Interest received	142,980	274,096
Other income	565,995	834,400
Administrative expenses	(156,304)	(3,360)
Other expenses	(147,859)	(399,139)
Finance expenses	(248,708)	(174,540)
Profit before income tax	156,104	531,457
Income tax expense	-	-
Profit for the half year	156,104	531,457
Other comprehensive income, net of income tax		
Total comprehensive income for the year	156,104	531,457

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 31 December 2023

		31 December 2023	30 June 2023
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	7,867,731	7,203,820
Trade and other receivables	6	661,771	598,807
Loans and advances	4	869,079	999,943
TOTAL CURRENT ASSETS		<u>9,398,581</u>	<u>8,802,570</u>
NON-CURRENT ASSETS			
Investment properties	7	-	606,905
Intangible assets	9	117,212	25,400
TOTAL NON-CURRENT ASSETS		<u>117,212</u>	<u>632,305</u>
TOTAL ASSETS		<u>9,515,793</u>	<u>9,434,875</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	103,955	22,345
Borrowings	5	7,448,884	7,605,680
TOTAL CURRENT LIABILITIES		<u>7,552,839</u>	<u>7,628,025</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>7,552,839</u>	<u>7,628,025</u>
NET ASSETS		<u>1,962,954</u>	<u>1,806,850</u>
EQUITY			
Issued capital	11	1,531,000	1,531,000
Retained earnings		431,954	275,850
TOTAL EQUITY		<u>1,962,954</u>	<u>1,806,850</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Half Year Ended 31 December 2023

	Ordinary Shares	Convertible Preference Shares	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2023	966,000	565,000	275,850	1,806,850
Profit attributable to the entity	-	-	156,104	156,104
Balance at 31 December 2023	966,000	565,000	431,954	1,962,954

	Ordinary Shares	Convertible Preference Shares	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2022	966,000	565,000	(255,607)	1,275,393
Profit attributable to the entity	-	-	531,457	531,457
Balance at 30 June 2023	966,000	565,000	275,850	1,806,850

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Half Year Ended 31 December 2023

	31 December 2023	30 June 2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	327,690	299,034
Payments to suppliers and employees	(174,923)	(636,849)
Interest received	304,059	834,400
Interest paid	(71,893)	(174,540)
Net cash provided by/(used in) operating activities	<u>384,933</u>	<u>322,045</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipt/(payment) of financial assets	102,354	(40,520)
Payment for intangible assets	-	(12,927)
Net cash provided by/(used in) investing activities	<u>102,354</u>	<u>(53,447)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	176,624	131,972
Net cash provided by/(used in) financing activities	<u>176,624</u>	<u>131,972</u>
Net increase/(decrease) in cash and cash equivalents held	663,911	400,570
Cash and cash equivalents at beginning of year	<u>7,203,820</u>	<u>6,803,250</u>
Cash and cash equivalents at end of the half year	<u>3</u> <u>7,867,731</u>	<u>7,203,820</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 31 December 2023

About this Report

The financial report covers NBFI Secured Investments as an individual entity. NBFI Secured Investments is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of NBFI Secured Investments is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates Loans

Management uses independent valuations in conjunction with other credit assessment material in determining whether the potential borrower has adequate security and in turn determining the likelihood of recovering the an advance that is to be made. All realty property must be valued by an independent license value appointed by the company before a loan is made. The valuation is mused to determine the maximum loan amount to be advanced taking into account the following Loan to Valuation Ratios (LVR).

- 70% Residential Land
- 70% Industrial Land
- 70% Commercial Land

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Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Critical Accounting Estimates and Judgments

Key estimates Loans

- 70% Rural Land

The outcome of the analysis may determine whether or not the company will make a loan, the amount of any such loan in terms of the maximum LVR and the length of the loan term. In terms of provisioning against loans, the Board meets on a monthly basis and reviews all loans which have indicators of impairment. Where there is objective evidence of impairment, the Board assess the recoverable of a loan by preparing a discounted cashflows. The cashflows requires critical judgments to be made on the timing of the cash inflows and outflows in addition to the actual amounts recovered. The cashflows judgments to be made on the taking of the cash inflows and outflows undermining the recoverability of the loan. If the principal and unpaid interest and fees falls short of the discounted cashflows total then a provision equal to the shortfall is adopted by the Board. Once the recommendation is approved by the Board a provision is made against the loan.

The Board believe that the chose valuation techniques and assumptions used are appropriate in determining the recoverability of impaired loans

Performance for the Period

3 Cash and Cash Equivalents

	31 December	30 June
	2023	2023
	\$	\$
Cash at bank and in hand	4,430	261,047
Deposits	350,000	-
Other cash and cash equivalents	7,513,301	6,942,773
	<u>7,867,731</u>	<u>7,203,820</u>

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Notes to the Financial Statements For the Period Ended 31 December 2023

3 Cash and Cash Equivalents Accounting treatment

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

4 Loans and Advances

	31 December 2023	30 June 2023
	\$	\$
CURRENT		
Loans control accounts	869,079	999,943
	<u>869,079</u>	<u>999,943</u>

5 Borrowings

	31 December 2023	30 June 2023
	\$	\$
CURRENT		
Unsecured liabilities:		
Depositors Loan Account	7,448,713	7,605,503
Other loans	171	177
Total current borrowings	<u>7,448,884</u>	<u>7,605,680</u>
Total borrowings	<u>7,448,884</u>	<u>7,605,680</u>

Accounting treatment

Borrowings

Borrowings are measured at amortised cost using the effective interest rate method.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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Notes to the Financial Statements For the Period Ended 31 December 2023

6 Trade and Other Receivables

	31 December 2023	30 June 2023
	\$	\$
CURRENT		
GST receivable	-	14,771
Accrued Interest Investments	661,771	584,036
Total current trade and other receivables	661,771	598,807

7 Investment Properties

	31 December 2023	30 June 2023
	\$	\$
At fair value		
Owned Property		
Church Street	-	606,905
Balance at end of period	-	606,905

The Company measures investment properties at fair value on a recurring basis.

The church street property was sold during the 2024 year for the agreed amount when the business was sold NBFI Holdings Pty Ltd.

Total Investment Properties	-	606,905
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Investment property includes properties that are held as right to use assets, as well as properties that are owned by the Company.

Accounting treatment

Fair value

Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

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Notes to the Financial Statements For the Period Ended 31 December 2023

8 Property, Plant and Equipment

PLANT AND EQUIPMENT

Motor vehicles

At cost

73,927 73,927

Accumulated depreciation

(73,927) (73,927)

Total motor vehicles

- -

Office equipment

At cost

65,461 65,461

Accumulated depreciation

(65,461) (65,461)

Total office equipment

- -

Accounting treatment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	33.3%
Office Equipment	20%-100%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

9 Intangible Assets

Computer software

Cost

117,212 114,020

Accum Amort

- (88,620)

Net carrying value

117,212 25,400

Total Intangible assets

117,212 25,400

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Notes to the Financial Statements For the Period Ended 31 December 2023

9 Intangible Assets

Accounting treatment

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

Asset is not in use as at 31 December 2023, no amortisation has been included.

10 Trade and Other Payables

	31 December 2023	30 June 2023
	\$	\$
CURRENT		
GST payable	63,000	-
Sundry payables and accrued expenses	39,195	19,893
Interest accrued	1,760	2,452
	<u>103,955</u>	<u>22,345</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Accounting treatment

The Company's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

Goods and services tax (GST)

Revenue, 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).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as

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Notes to the Financial Statements For the Period Ended 31 December 2023

10 Trade and Other Payables

Accounting treatment
operating cash flows.

11 Issued Capital

	31 December 2023	30 June 2023
	\$	\$
Ordinary shares	966,000	966,000
Preference shares	565,000	565,000
Total	1,531,000	1,531,000

12 Dividends

No dividends have been declared or paid during the half year.

13 Related Parties

The Group's main related parties are as follows:

The ultimate parent entity, which exercises control over the Company, is NBFI Holding Pty Ltd which is incorporated in Australia and owns 100% of NBFI Secured Investments.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

14 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (30 June 2023:None).

15 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NBFI Secured Investments

Accountants' Report to the members of NBFI Secured Investments

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NBFI Secured Investments (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes to the financial statements and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

NBFI Secured Investments

Accountants' Report to the members of NBFI Secured Investments

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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Chartered Accountant

Raul Valois CA
Location Sydney

Dated this ..12th....of April..2024