

**Returned & Services League of Australia
(Queensland Branch)**

ABN 79 902 601 713

**Annual report
for the year ended 31 December 2024**

The directors present their report on the consolidated entity consisting of Returned & Services League of Australia (Queensland Branch) ("RSL Queensland") and its subsidiary Mates4Mates Limited (the "Group") for the year ended 31 December 2024.

Review of operations

In 2024, RSL Queensland implemented a new three-year strategic planning cycle known as the Capital Management Framework (CMF). The CMF was instrumental in managing stable revenue to support RSL Queensland services, while balancing long-term financial security, against a backdrop of declining revenue in 2024. Whilst the benefits of the CMF are already apparent the real benefit will be felt in the long term with a more predictable revenue stream for delivery of services to veterans and families.

RSL Queensland strengthened its support for veterans and their families by opening a Veteran & Family Wellbeing Centre (VFWC) on the Sunshine Coast. This Centre hosts RSL Sunshine Coast & Regional District Office, Mates4Mates and RSL Queensland advocates, providing a central hub of services for the region's growing veteran community. Additionally, the VFWC in Brisbane celebrated its first full year of operation, welcoming more than 2,300 veterans and their families through its doors. Further expanding this network, RSL Queensland secured a \$5 million grant from the Department of Veterans' Affairs to establish a VFWC in Ipswich, another growing area for veterans and their families. The Centre is expected to open in mid-2026.

A major organisational initiative in 2024 was the rebranding of the RSL Art Union to Dream Home Art Union, proudly RSL Queensland - a return to the origins of the original art union, some 60 years ago. While the name has changed, its purpose remains the same: delivering incredible prizes while ensuring a sustainable revenue stream for veterans and families in Queensland and across Australia. This year also saw enhancements to the Art Union website, improving the customer experience.

At the end of 2024, the Federal Government responded to the final report of the Royal Commission into Defence and Veteran Suicide. This was a significant step, with the Government agreeing or agreeing-in-principle to 104 of the 122 recommendations. Of the remaining recommendations, 17 were noted for further consideration and one was partially supported. RSL Queensland will continue working through these recommendations, with a strong focus on improving the transition process to improve both current and ex-service personnel experience through key life transition points.

District funding was delivered through multiple channels, including the Charitable Objects Fund, District funding and merchandise reimbursement as examples, marking the largest investment to date in supporting the veteran community through the League. This funding provided financial assistance for accommodation, medical and household needs, funerals and memorials. Sub Branches also received financial support to further their work in local communities.

The foundation for a National Veteran Support Model was established, with collaboration underway between RSL Queensland and other states to enhance veteran support capabilities nationwide. This included supporting RSL Australia with national advocacy for veterans and their families. Uplifting the entire veteran ecosystem - wherever practical - will enhance access to essential services for veterans and families, where they need it the most. Mates4Mates expanded its clinical services across the Northern Territory, Queensland and Tasmania, offering clinical support to veterans and their families. These services continue to make a tangible difference in the lives of those seeking help.

Looking ahead, RSL Queensland's investment in a new website will be realised in 2025, providing veterans and their families with more pathways to access support and services. This digital enhancement will further RSL Queensland's mission to ensure veterans receive timely and effective assistance.

Through these initiatives, RSL Queensland continues to uphold its commitment to care, commemoration and camaraderie, ensuring veterans and their families receive the support they deserve.

RSL Queensland's 2024 Annual Report offers deeper insight into our programs and services, and I encourage reference to this document on our website rslqld.org.

Governance Statement

RSL Queensland is committed to meeting its requirements under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (ACNC Act), as well as implementing robust corporate governance processes. Good corporate governance helps RSL Queensland deliver its strategic objectives, providing confidence to our members, regulators and the broader community in our work supporting veterans and their families. In implementing good governance, RSL Queensland strives to be adaptive and nimble in its decision-making processes, responding quickly to opportunities, while balancing investments, risk and value.

This year, we established a Capital Management Framework (CMF) to enhance financial sustainability and transparency in decision-making. The CMF provides a structured approach to managing our financial resources balancing investment in our purpose and our revenue generation. It includes clear policies on liquidity, the property portfolio, contingencies, and our investment strategy, allowing us to optimise cashflow, mitigate financial risks and allocate funds more effectively.

All members of the Board are elected or appointed in accordance with the constitution, are RSL members and are required to comply with the policies as part of the enterprise governance framework. The Board has established several board committees who advise on key issues and operate under Board approved Terms of Reference.

Communication of RSL Queensland's affairs to members, the League, supporters, and the public is widely undertaken. There is direct communication through regular newsletters and the provision of the annual report to members, as well as the ability to access the annual report online at rslqld.org.

Board attendance

	Date of director appointment	Date of director resignation	No. of meetings eligible to attend	No. of meetings attended
Major General Stephen Day DSC, AM			8	8
Ms Gwynneth Taylor			8	8
Mr William Whitburn OAM			8	8
Mr Ashley Naughton			8	8
Mr Christopher Hamilton			8	8
Mr Tony Orchard			8	8
Mr Nicholas Gould			8	7
Mr Gary Player			8	8
Ms Fiona Southwood	29/02/2024		8	7

Principal activities

In pursuit of our objects, providing services, programs and recognition to veterans and families through the tenants of care, commemoration and camaraderie continued to be a cornerstone of 2024, evolving services and opportunities directly in line with the needs of veterans and families. Mates4Mates Limited, a subsidiary of RSL Queensland, saw the continued support of psychological, physical, and social support across the Northern Territory, Queensland and Tasmania.

The commercial activities of the Organisation continued to be a primary focus throughout 2024 with the rebrand of the commercial arm to Dream Home Art Union; proudly RSL Queensland. A return to the roots of the original art union, some 60 years ago, will ensure the relevancy and opportunities remain well into the future to ensure veterans and their families are supported.

The Capital Management Framework was established to focus the organisation on 3-year planning cycles that enable a cost focused approach for the Organisation. The realisation of the framework will commence in 2025.

There was no significant change in the nature of the activity of the Group during the year.

Mission statement

RSL Queensland's 2030 strategic framework highlights its mission, strategic imperatives and enabling capabilities to meet the needs of veterans and their families.

RSL Queensland's mission is to provide care, commemoration and camaraderie to enable veterans and their families to live with dignity and respect.

To effectively achieve its mission, RSL Queensland will enhance the following capabilities:

- Communication - ability to clearly communicate our mission and endeavours to the veteran community and society at large.
- Commercial Resources - financial capacity and fit-for-purpose commercial structure to ensure that RSL Queensland meets its mission
- Capability - relevant skills, processes and technologies, effectively aligned in a way that sets up RSL Queensland for success

RSL Queensland's 2030 strategic goals to achieve its mission include:

- Strengthen our connection to veterans and the community (Connect)
- Service the holistic interest of veterans (Serve)
- Secure our commercial capacity and assets (Secure)
- Enable RSL Queensland and its ecosystem to achieve its mission (Enable)

Significant changes in the state of affairs

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

Operating results

The surplus from ordinary activities amounted to \$6,960,158 (2023: \$12,847,157) and the expenditure on charitable objects as a percentage of the Art Union surplus in 2024 was 92.3% (2023: 87.3%).

Event since the end of the financial year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

The directors expect that the Group will continue to carry out its principal activities as detailed above. There are no other known or likely developments which the directors foresee which they wish to disclose at this time.

Environmental regulation

The Group is not affected by any significant environmental regulation in respect of its operations.

Insurance of officers and indemnities

During the financial year, Returned & Services League of Australia (Queensland Branch) paid a premium to insure the directors and secretaries of the 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 Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 60-25 of the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012* is set out on page 5.

Rounding of amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'S.D.', with a stylized flourish extending from the bottom right.

Major General Stephen Day DSC, AM
State President/Director

Brisbane
8 May 2025



Auditor's Independence Declaration

As lead auditor for the audit of Returned & Services League of Australia (Queensland Branch) for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Returned & Services League of Australia (Queensland Branch) and the entities it controlled during the period.

A handwritten signature in blue ink that reads 'Darren Jenns'.

Darren Jenns
Partner
PricewaterhouseCoopers

Brisbane
8 May 2025

Returned & Services League of Australia (Queensland Branch)

ABN 79 902 601 713

Financial report - 31 December 2024

Contents

	Page
Financial report	
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated balance sheet	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the consolidated financial statements	11
Directors' declaration	30
Independent auditor's report to the members	31

This financial report is the consolidated financial report of the consolidated entity consisting of Returned & Services League of Australia (Queensland Branch) and its subsidiary. The financial report is presented in the Australian dollar (\$).

Returned & Services League of Australia (Queensland Branch) operates under Letters Patent issued pursuant to the *Religious, Educational and Charitable Institutions Act 1861 (Qld)* and is domiciled in Queensland, Australia.

Its registered office is:

283 St Pauls Terrace
Fortitude Valley, Queensland, 4006.

The financial report was authorised for issue by the directors on 8 May 2025. The directors have the power to amend and reissue the financial report.

Returned & Services League of Australia (Queensland Branch)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Notes	2024 \$	2023 \$
Revenue from contracts with customers	3	199,249,881	213,656,537
Other income	4(a)	14,327,825	10,208,681
Other gains/(losses) – net	4(b)	1,112,950	4,099,033
Lottery prizes, marketing and commission expenses		(93,056,067)	(95,879,840)
Employee benefits expense		(67,876,734)	(71,017,709)
Donations and welfare expenses	5(b)	(15,872,181)	(17,735,104)
IT and communications expenses		(6,823,999)	(7,674,047)
Depreciation and amortisation expense		(7,388,685)	(6,667,756)
Contractors and consultants		(3,201,786)	(2,203,151)
Property expenses		(5,070,831)	(5,466,213)
Meeting and travel expenses		(1,414,680)	(1,512,858)
Bank and merchant fees		(1,701,041)	(1,767,464)
Support services expenses		(474,769)	(637,828)
Other expenses		(4,321,785)	(4,166,443)
Finance costs	4(c)	(527,940)	(388,681)
Surplus for the year		6,960,158	12,847,157
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
Changes in the fair value of financial assets at fair value through other comprehensive income	20(a)	3,997,095	2,816,395
Other comprehensive income for the year		3,997,095	2,816,395
Total comprehensive income for the year		10,957,253	15,663,552

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

Returned & Services League of Australia (Queensland Branch)
Consolidated balance sheet
As at 31 December 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	48,671,333	78,182,132
Trade and other receivables	7	3,491,752	2,861,053
Inventories	8	50,584,491	47,688,076
Financial assets at amortised cost	9	45,289,870	18,326,745
Other assets	16	8,807,841	8,766,659
Total current assets		156,845,287	155,824,665
Non-current assets			
Inventories	8	43,286,670	39,617,086
Property, plant and equipment	10	32,156,206	34,957,553
Right-of-use assets	12	7,226,378	7,556,782
Investment properties	11	9,189,680	8,932,599
Intangible assets	13	8,555,690	9,493,569
Financial assets at fair value through profit or loss	14	63,477,787	55,901,158
Financial assets at fair value through other comprehensive income	15	44,298,633	41,208,071
Other assets	16	2,701,332	1,927,795
Total non-current assets		210,892,376	199,594,613
Total assets		367,737,663	355,419,278
LIABILITIES			
Current liabilities			
Trade and other payables	17	8,166,488	9,327,937
Contract liabilities	3(a)	12,698,064	13,528,960
Lease liabilities	12	1,982,743	1,462,417
Deferred revenue	18	2,981,283	2,659
Employee benefit obligations	19	4,775,704	4,478,190
Total current liabilities		30,604,282	28,800,163
Non-current liabilities			
Lease liabilities	12	5,712,028	6,490,244
Employee benefit obligations	19	1,369,848	1,034,619
Total non-current liabilities		7,081,876	7,524,863
Total liabilities		37,686,158	36,325,026
Net assets		330,051,505	319,094,252
EQUITY			
Other reserves	20(a)	6,382,106	2,385,011
Retained earnings	20(b)	323,669,399	316,709,241
Total equity		330,051,505	319,094,252

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Returned & Services League of Australia (Queensland Branch)
Consolidated statement of changes in equity
For the year ended 31 December 2024

	Other reserves \$	Accumulated funds \$	Total equity \$
Balance at 1 January 2023	(431,384)	303,862,084	303,430,700
Surplus for the year	-	12,847,157	12,847,157
Other comprehensive income	2,816,395	-	2,816,395
Total comprehensive income for the year	2,816,395	12,847,157	15,663,552
Balance at 31 December 2023	2,385,011	316,709,241	319,094,252
Balance at 1 January 2024	2,385,011	316,709,241	319,094,252
Surplus for the year	-	6,960,158	6,960,158
Other comprehensive income	3,997,095	-	3,997,095
Total comprehensive income for the year	3,997,095	6,960,158	10,957,253
Balance at 31 December 2024	6,382,106	323,669,399	330,051,505

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

Returned & Services League of Australia (Queensland Branch)
Consolidated statement of cash flows
For the year ended 31 December 2024

	2024	2023
Notes	\$	\$
Cash flows from operating activities		
Surplus for the year	6,960,158	12,847,157
Depreciation and amortisation	7,388,685	6,667,756
Impairment reversal on non-operating balance sheet items	(2,000)	(440,970)
Net loss on disposal of intangibles and plant and equipment	1,185,060	109,769
Fair value gains on financial assets at fair value through profit or loss	(1,713,298)	(4,233,394)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(615,711)	554,720
(Increase)/decrease in inventories	(6,566,000)	3,080,737
(Increase)/decrease in contract assets, prepayments and other operating assets	(829,704)	4,606,016
Increase/(decrease) in trade and other payables and contract liabilities	986,279	(2,297,064)
Increase in other operating liabilities	632,741	1,156,599
Net cash inflow from operating activities	7,426,210	22,051,326
Cash flows from investing activities		
Payments for property, plant and equipment	(2,412,187)	(3,622,187)
Transfers (to)/from investments	(31,919,922)	(26,285,836)
Payments for intangibles	(1,346,135)	(1,974,175)
Repayment of loans to related parties	2,000	37,513
Proceeds from sale of non-current assets	660,571	408,128
Net cash (outflow) from investing activities	(35,015,673)	(31,436,557)
Cash flows from financing activities		
Principal elements of lease payments	(1,921,336)	(1,629,071)
Net cash (outflow) from financing activities	(1,921,336)	(1,629,071)
Net (decrease) in cash and cash equivalents	(29,510,799)	(11,014,302)
Cash and cash equivalents at the beginning of the financial year	78,182,132	89,196,434
Cash and cash equivalents at end of year	48,671,333	78,182,132

6

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

1 Summary of material accounting policies

This note provides a list of all material accounting policies adopted in the preparation of this consolidated financial report. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report is for the Group consisting of Returned & Services League of Australia (Queensland Branch) and its subsidiary.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Collections Act 1966 (Qld)*, the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012)* and the *Charitable Fundraising Act 1991 (NSW)*. Returned & Services League of Australia (Queensland Branch) is a not-for-profit entity for the purpose of preparing the financial report.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The consolidated financial report of the Group complies with Australian Accounting Standards - Simplified Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

The financial report has been prepared on a historical cost basis, except for certain financial assets measured at fair value.

(iii) New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting years and on foreseeable future transactions.

(iv) Critical accounting estimates

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

(v) Comparatives

Comparatives have been reclassified, where appropriate, to enhance comparability.

(b) Principles of consolidation

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of Returned & Services League of Australia (Queensland Branch) ('parent entity') as at 31 December 2024 and the results of its subsidiary for the year then ended. Returned & Services League of Australia (Queensland Branch) and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Returned & Services League of Australia (Queensland Branch) has a single subsidiary, Mates4Mates Limited, of which the Returned & Services League of Australia (Queensland Branch) is the single member of the company.

1 Summary of material accounting policies (continued)

(c) Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group recognises other revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

(i) Lottery ticket sales

Revenue primarily comprises funds raised from sales of lottery tickets. Revenue is recognised at a point in time once the lottery has closed and the lottery is drawn. Revenue for lotteries which have not been closed and drawn are treated as a contract liability.

(ii) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the Group delivers a product to the customer.

(iii) Rental income

Rental income on investment properties is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

(iv) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(v) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(d) Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. Grants where there are specific performance obligations are treated as within the scope of AASB 15.

(e) Income tax

No provision for income tax has been raised as the Returned & Services League of Australia (Queensland Branch) operates solely as a charitable non-profit group. It is established to promote the interests and welfare of former and serving members of the Australian Defence Force and their dependants, in order to carry out commemorative and patriotic activities. Accordingly, the Returned & Services League of Australia (Queensland Branch) is registered as a Taxation Concession Charity (TCC) by the Australian Charities and Not-for-profits Commission (ACNC) and as such is not liable for income tax as the Group maintains such registration.

(f) Leases

The Group leases various premises and vehicles. Rental contracts are typically made for fixed periods of 12 months to 5 years, but may have extension options as described below.

1 Summary of material accounting policies (continued)

(f) Leases (continued)

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- makes adjustments specific to the lease, eg term and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

1 Summary of material accounting policies (continued)

(f) Leases (continued)

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(g) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(h) Cash and cash equivalents

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

(i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period.

(j) Inventories

(i) Goods

Inventories of goods purchased for resale are valued at cost less provision for obsolete inventory. The cost of bringing each item to its present location and condition is determined on a first-in, first-out basis. Recoverable amount is based on lower of cost and replaceable cost if the entity was deprived of the asset.

(ii) Art Union properties

Art Union properties which have not yet been included as a prize in a lottery draw at 31 December 2024 are included in the consolidated balance sheet as inventories. These are stated at the lower of net realisable value recorded as a cost less provision for impairment. Cost is assigned to an asset by specific identification including costs of acquisition, development costs, and any other costs incurred in bringing the inventory item to its present condition. Net realisable value considers the income an associated lottery draw would be estimated to make less estimated costs of running the draw.

1 Summary of material accounting policies (continued)

(j) Inventories (continued)

(ii) Art Union properties (continued)

The cost of Art Union properties acquired under contracts entered into but not yet settled as at balance date are not taken up as inventories, unless all contractual conditions have been fulfilled such that there is virtual certainty of completion to enable transfer of title and benefit to the property. Such costs are recognised as prepayments.

Should an Art Union property no longer be allocated to a future draw, it is held for resale with net realisable value the estimated selling price in the ordinary course of business.

(k) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

• Buildings	2.5%
• Plant and equipment	10% - 40%
• Leasehold improvements	5%
• Motor vehicles	12.5% - 20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(l) Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group. They are carried at cost including transaction costs, less accumulated depreciation and impairment charges.

The cost of properties acquired under contracts entered into but not yet settled as at balance date are not taken up as investment properties unless all contractual conditions have been fulfilled such that there is virtual certainty of completion to enable transfer of title and benefit to the property. Such costs are recognised as prepayments.

Investment properties (other than land) are depreciated over their useful lives to the Group commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic life of the assets at 2.5%.

1 Summary of material accounting policies (continued)

(m) Intangible assets

(i) Software

Software including cloud software

Software as a Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. On commencement of a new contract with a cloud-based provider, the Group will assess whether there is control surrounding the underlying software and whether this will provide a future economic benefit to the Group. Where the Group will obtain a future economic benefit and can restrict access to the software, an intangible asset will be recognised. All customisation and configuration relating to this asset will be capitalised where the implementation has been performed by the SaaS provider and the improvements are considered 'not distinct' within the software. The Group defines the configuration and customisation to be 'not distinct' when the adaptations to the software significantly enhance or modify the product and are no longer easily identifiable from the original software. Where the Group incurs costs surrounding a SaaS arrangement that do not result in the recognition of an intangible asset, the Group then considers who provided the configuration and customisation services and whether these services are 'distinct' or 'not distinct'. Where the services are provided by the SaaS supplier and are considered 'not distinct', the cost will be expensed over the contract term of the software. However, where the services are considered 'distinct', the costs will be expensed when the service is received. The Group will review the costs incurred relating to SaaS arrangements at the end of every reporting period to assess whether they meet the definition of an intangible asset. Any changes to the amortisation or depreciation rates that are applied will be treated as a change in accounting estimate. The Group has historically capitalised all configuration and customisation as an intangible asset in the consolidated balance sheet.

In-house software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs of materials, hardware and services used or consumed in generating the software have been recognised, including costs of employee benefits. Development costs not meeting these criteria for capitalisation are expensed as incurred and included in the ordinary business operations. Costs associated with maintaining software programmes are recognised as an expense as incurred. A software development pool has been used to allocate software expenditure that is incurred on developing (or on having developed) in-house software that is intended to be used solely for a taxable purpose. Software has a finite life and is carried at cost less any accumulated amortisation and any impairment losses.

The Group amortises software with a limited useful life using the straight-line method at 10% - 40%.

(n) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

1 Summary of material accounting policies (continued)

(n) Investments and other financial assets (continued)

(i) Classification (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Bank fixed rate term deposits (note 9)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in other gains/(losses) in the consolidated statement of profit or loss and other comprehensive income.

Corporate bonds, unit trust bonds and hedge funds (note 15)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

(iv) Equity instruments

Equity securities, unit trust equity and managed funds (note 14)

The Group subsequently measures all equity investments at fair value. The Group's management has not elected to present fair value gains and losses on equity investments in other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the consolidated statement of profit or loss and other comprehensive income as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

(v) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1 Summary of material accounting policies (continued)

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities for annual leave are presented as current employee benefit obligations in the consolidated balance sheet. The liabilities for wages payable are presented as current other payables in the consolidated balance sheet.

(ii) Other long-term employee benefit obligations

The Group has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

Contributions to the defined contribution section of the Group's superannuation plan and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

(a) Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Estimated impairment of assets*

The Group tests annually whether assets suffered any impairment, in accordance with the accounting policy stated in note 1(g), note 1(m) and note 1(n).

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2024
(continued)

3 Revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time as follows:

	2024	2023
	\$	\$
Sale of goods	12,408	22,585
Lottery ticket sales	<u>199,237,473</u>	<u>213,633,952</u>
	<u>199,249,881</u>	<u>213,656,537</u>

(a) Assets and liabilities related to contracts with customers

	2024	2023
	\$	\$
Current other assets - contract costs	8,807,841	8,766,659
Non-current other assets - contract costs	<u>2,701,332</u>	<u>1,927,795</u>
Total contract costs	<u>11,509,173</u>	<u>10,694,454</u>
Contract liability - advance ticket sales	<u>(12,698,064)</u>	<u>(13,528,960)</u>

4 Other income and expense items

(a) Other income

	2024	2023
	\$	\$
Rental income	2,710,658	2,536,913
Interest income	4,130,907	3,225,303
Dividends	3,887,552	2,058,925
Donations	1,417,571	822,132
Grant income	1,334,515	1,067,865
Sundry income	<u>846,622</u>	<u>497,543</u>
	<u>14,327,825</u>	<u>10,208,681</u>

(b) Other gains/(losses)

	2024	2023
	\$	\$
Net (loss)/gain on disposal of non-current assets and inventory	(1,185,060)	(109,769)
Net fair value gains on financial assets at fair value through profit or loss	1,713,298	4,233,394
Net impairment reversal/(expense)	<u>584,712</u>	<u>(24,592)</u>
	<u>1,112,950</u>	<u>4,099,033</u>

(c) Finance costs

	2024	2023
	\$	\$
Interest and finance charges paid/payable for lease liabilities	Notes 12 (527,940)	(388,681)
Finance costs expensed	<u>(527,940)</u>	<u>(388,681)</u>

5 Income and expenditure - fundraising appeals

This disclosure is made to provide clarity on sources of fundraising appeals and expenditure directly applied towards the charitable purpose and is a requirement of *NSW Charitable Fundraising Act (1991)*. It is also considered relevant to the members of the organisation to provide additional information on direct expenses towards charitable purpose as this is not readily available from the presentation of the consolidated statement of profit or loss and other comprehensive income.

(a) Details of aggregate gross income and total expenses directly related to fundraising appeals:

	2024 \$	2023 \$
Gross proceeds of fundraising appeals (as defined by the Act)	199,505,945	213,750,950
Cost of fundraising appeals	(100,048,338)	(105,907,297)
Gross surplus obtained from fundraising appeals	<u>99,457,607</u>	<u>107,843,653</u>

Fundraising appeals is primarily made up of the lottery operations. The cost of fundraising appeals includes payments made to traders where they have been engaged to assist with lottery ticket sales.

(b) Expenditure directly applied to the charitable purpose

	2024 \$	2023 \$
Donations and sponsorship	(15,872,181)	(17,735,103)
Veteran services and compliance	(23,769,179)	(24,956,475)
Welfare property expenditure	(7,578,969)	(5,742,355)
Total charitable expenditure	<u>(47,220,329)</u>	<u>(48,433,933)</u>

Other expenditure of an indirect or overhead nature which supports fundraising activity and the provision of charitable activities is not included in the above tables.

6 Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and in hand	36,819,348	64,423,735
Deposits at call	11,486,929	12,000,000
Cash held by investment manager	365,056	1,758,397
	<u>48,671,333</u>	<u>78,182,132</u>

(a) Interest rates

Cash at bank earns interest at floating rates based on daily deposit rates.

(b) Restricted cash

The cash and cash equivalents held by the Group disclosed above and in the consolidated statement of cash flows include \$2,981,283 (2023: \$nil) which are held by Group on behalf of external parties or for other purposes such as guarantees and unspent government grants. These deposits are subject to restrictions and are therefore not available for general or discretionary use by the entities in the Group.

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2024
(continued)

7 Trade and other receivables

	Current \$	2024 Non- current \$	Total \$	Current \$	2023 Non- current \$	Total \$
Trade receivables	207,728	-	207,728	921,440	-	921,440
Loss allowance	(3,471)	-	(3,471)	(586,568)	-	(586,568)
	<u>204,257</u>	<u>-</u>	<u>204,257</u>	<u>334,872</u>	<u>-</u>	<u>334,872</u>
Other receivables	88,516	-	88,516	31,101	-	31,101
GST receivable	1,449,403	-	1,449,403	760,490	-	760,490
Prepayments	1,749,576	-	1,749,576	1,734,590	-	1,734,590
Loans to related parties (a)	-	1,166,950	1,166,950	-	1,168,950	1,168,950
Loss allowance	-	(1,166,950)	(1,166,950)	-	(1,168,950)	(1,168,950)
	<u>3,491,752</u>	<u>-</u>	<u>3,491,752</u>	<u>2,861,053</u>	<u>-</u>	<u>2,861,053</u>

(a) Loans to related parties

	2024 \$	2023 \$
Loans to sub branches:		
Bowen	24,000	26,000
Charters Towers	<u>1,142,950</u>	<u>1,142,950</u>
	<u>1,166,950</u>	<u>1,168,950</u>

Bowen

The loan was established on 23 July 2013 and is secured by a mortgage over the property situated at 38 Williams St, Bowen. The loan has been fully impaired.

Charters Towers

The loan was established on 24 May 2012 and is secured by a mortgage over the property situated at 8-10 Prior Street, Charters Towers. The loan has been fully impaired.

8 Inventories

	Current \$	2024 Non- current \$	Total \$	Current \$	2023 Non- current \$	Total \$
Art Union						
Art Union prize inventory	50,848,166	43,286,670	94,134,836	47,951,751	39,617,086	87,568,837
Provision for impairment - prize inventory	(263,675)	-	(263,675)	(263,675)	-	(263,675)
	<u>50,584,491</u>	<u>43,286,670</u>	<u>93,871,161</u>	<u>47,688,076</u>	<u>39,617,086</u>	<u>87,305,162</u>

9 Financial assets at amortised cost

	Current \$	2024 Non- current \$	Total \$	Current \$	2023 Non- current \$	Total \$
Bank fixed rate term deposits	45,289,870	-	45,289,870	18,241,074	-	18,241,074
Other financial assets	-	-	-	85,671	-	85,671
	45,289,870	-	45,289,870	18,326,745	-	18,326,745

Bank fixed rate term deposits, including those managed by Willis Towers Watson are made for varying periods, on average six months, depending on the group's cash requirements. These deposits earn interest at variable rates between 4.25% - 5.22% (2023: 3.20% - 5.11%). All monies are invested with A+ rated Australian banks.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

10 Non-current assets - Property, plant and equipment

Non-current	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Assets under construction \$	Total \$
At 31 December 2023					
Cost	39,018,216	12,645,645	83,265	1,990,246	53,737,372
Accumulated depreciation	(14,275,198)	(4,422,030)	(82,591)	-	(18,779,819)
Net book amount	24,743,018	8,223,615	674	1,990,246	34,957,553
Year ended 31 December 2024					
Opening net book amount	24,743,018	8,223,615	674	1,990,246	34,957,553
Additions	-	32,065	-	2,380,122	2,412,187
Disposals	(655,950)	(457,519)	-	(666,993)	(1,780,462)
Transfers	-	1,866,678	-	(2,680,908)	(814,230)
Depreciation charge	(998,644)	(1,619,524)	(674)	-	(2,618,842)
Closing net book amount	23,088,424	8,045,315	-	1,022,467	32,156,206
At 31 December 2024					
Cost	37,735,656	13,254,201	83,265	1,022,467	52,095,589
Accumulated depreciation and impairment	(14,647,232)	(5,208,886)	(83,265)	-	(19,939,383)
Net book amount	23,088,424	8,045,315	-	1,022,467	32,156,206

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2024
(continued)

11 Investment properties

	2024 \$	2023 \$
Non-current assets - at cost		
Cost	13,100,519	12,471,785
Accumulated depreciation	<u>(3,910,839)</u>	<u>(3,539,186)</u>
	9,189,680	8,932,599

Movements:

Carrying amount at the beginning of the year	8,932,599	8,832,299
Transfers from plant and equipment	814,230	995,220
Depreciation	(491,982)	(894,920)
Disposals	(65,167)	-
	<u>9,189,680</u>	<u>8,932,599</u>

12 Leases

(a) Amounts recognised in the balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2024 \$	2023 \$
Right-of-use assets		
Premises	6,657,849	7,010,174
Vehicles	<u>568,529</u>	<u>546,608</u>
	7,226,378	7,556,782

Additions and lease modifications to the right-of-use assets during the 2024 financial year were \$1,663,443 (2023: \$3,800,088).

	2024 \$	2023 \$
Lease liabilities		
Current	1,982,743	1,462,417
Non-current	<u>5,712,028</u>	<u>6,490,244</u>
	7,694,771	7,952,661

	2024 \$	2023 \$
Future lease payments in relation to lease liabilities as at period end are as follows:		
Within one year	2,648,141	1,837,206
Later than one year but not later than five years	6,674,352	7,485,371
Later than five years	-	1,238,271
	<u>9,322,493</u>	<u>10,560,848</u>
Future finance charges	<u>(1,627,722)</u>	<u>(2,608,187)</u>
Total lease liabilities	7,694,771	7,952,661

12 Leases (continued)

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Notes	2024 \$	2023 \$
Depreciation charge of right-of-use assets			
Premises		1,503,031	1,137,642
Vehicles		490,816	574,979
		<u>1,993,847</u>	<u>1,712,621</u>
 Interest expense (included in finance cost)	4(c)	<u>527,940</u>	388,681

13 Intangible assets

	Software \$	Work in progress \$	Total \$
At 31 December 2023			
Cost	18,308,717	1,974,175	20,282,892
Accumulated amortisation and impairment	(10,789,323)	-	(10,789,323)
Net book amount	<u>7,519,394</u>	<u>1,974,175</u>	<u>9,493,569</u>
 Year ended 31 December 2024			
Opening net book amount	7,519,394	1,974,175	9,493,569
Additions	-	1,346,135	1,346,135
Transfers	3,254,059	(3,254,059)	-
Amortisation charge	(2,284,014)	-	(2,284,014)
Closing net book amount	<u>8,489,439</u>	<u>66,251</u>	<u>8,555,690</u>
 At 31 December 2024			
Cost	19,770,058	66,251	19,836,309
Accumulated amortisation and impairment	(11,280,619)	-	(11,280,619)
Net book amount	<u>8,489,439</u>	<u>66,251</u>	<u>8,555,690</u>

14 Financial assets at fair value through profit or loss

	2024 \$	2023 \$
Equity securities, unit trust equity and managed funds	<u>63,477,787</u>	<u>55,901,158</u>

The Willis Towers Watson portfolio holds a variety of investments which generate a return based on income from those investments and changes in the market value of the investments. The Group's investment portfolio can be redeemed on an at call basis at the market value of the investment at the date of redemption less certain fees and charges.

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

15 Financial assets at fair value through other comprehensive income

	2024 \$	2023 \$
Non-current assets		
Corporate bonds, unit trust bonds and hedge funds	<u>44,298,633</u>	<u>41,208,071</u>

The Willis Towers Watson portfolio holds a variety of investments which generate a return based on income from those investments and changes in the market value of the investments. The Group's investment portfolio can be redeemed on an at call basis at the market value of the investment at the date of redemption less certain fees and charges.

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Investments in corporate bonds, unit trust bonds and hedge funds which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

16 Other assets

	2024 Current \$	2024 Non-current \$	2024 Total \$	2023 Current \$	2023 Non-current \$	2023 Total \$
Contract costs	<u>8,807,841</u>	<u>2,701,332</u>	<u>11,509,173</u>	8,766,659	1,927,795	10,694,454

17 Trade and other payables

	2024 \$	2023 \$
Trade payables and accruals	<u>8,166,488</u>	<u>9,327,937</u>

18 Deferred revenue

	2024 \$	2023 \$
Government grants	<u>2,981,283</u>	<u>2,659</u>

19 Employee benefit obligations

	Current	2024 Non- current	Total	Current	2023 Non- current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations	4,775,704	1,369,848	6,145,552	4,478,190	1,034,619	5,512,809

20 Other reserves and accumulated funds

(a) Other reserves

	2024 \$	2023 \$
Financial assets at fair value through other comprehensive income	6,382,106	2,385,011

Movements:

Financial assets at fair value through other comprehensive income

Opening balance	2,385,011	(431,384)
Net gains/(losses) - gross	3,997,095	2,816,395
Balance 31 December	6,382,106	2,385,011

Financial assets at FVOCI

The Group has elected to recognise changes in the fair value of certain investments in bonds and funds in OCI, as explained in note 15. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant securities are derecognised.

(b) Accumulated funds

Movements in accumulated funds were as follows:

	2024 \$	2023 \$
Balance 1 January	316,709,241	303,862,084
Surplus for the year	6,960,158	12,847,157
Balance 31 December	323,669,399	316,709,241

21 Contingencies

The Group had no contingent liabilities at 31 December 2024 (2023: nil).

22 Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:

	2024 \$	2023 \$
Construction and purchase of property for future Art Unions	<u>12,878,645</u>	<u>15,079,189</u>

(b) Operating expenditure

The Group has an executed agreement with the Gallipoli Medical Research Foundation, entered into on 9 February 2022 for \$6,090,140. The term of the agreement is 5 years. The unspent commitment is \$2,436,056 which is payable in 2025 and 2026. This project will establish and deliver an online learning service and provide clinical data analysis to determine health trends.

23 Related party transactions

(a) Key management personnel compensation

	2024 \$	2023 \$
Key management personnel compensation	<u>2,456,019</u>	<u>2,439,731</u>

(b) Transactions with other related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
Payments to Districts	<u>1,939,832</u>	<u>2,554,373</u>

In addition to the above the Group also incurred indirect costs of \$3,618,031 (2023: \$3,511,010) to support the operational costs of the Districts.

During the year, the parent entity made a contribution of \$9,000,000 (2023: \$10,200,000) to its wholly-owned subsidiary Mates4Mates Limited to support the organisation's operations in the delivery of veteran services. This contribution has been fully eliminated in the consolidated financial statements of the Group.

24 Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

25 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity, Returned & Services League of Australia (Queensland Branch), and its related practices.

PricewaterhouseCoopers

	2024 \$	2023 \$
Audit of financial statements	145,750	141,000
Other assurance services	73,300	52,275
Assistance with the compilation of the financial statements	8,000	10,000
	<u>227,050</u>	<u>203,275</u>

26 Parent entity financial information

(a) Summary financial information

The individual financial report for the parent entity, Returned & Services League of Australia (Queensland Branch), shows the following aggregate amounts:

	2024 \$	2023 \$
Balance sheet		
Current assets	153,749,735	153,380,121
Non-current assets	206,033,033	194,786,207
Total assets	<u>359,782,768</u>	<u>348,166,328</u>
Current liabilities	29,668,564	27,887,304
Non-current liabilities	6,084,522	6,843,489
Total liabilities	<u>35,753,086</u>	<u>34,730,793</u>
Net assets	<u>324,029,682</u>	<u>313,435,535</u>
Equity		
Reserves		
Financial assets at fair value through other comprehensive income	6,382,106	2,385,011
Retained earnings	<u>317,647,576</u>	<u>311,050,524</u>
	<u>324,029,682</u>	<u>313,435,535</u>
Profit for the year	<u>6,597,054</u>	<u>11,321,311</u>
Total comprehensive income	<u>6,597,054</u>	<u>14,137,706</u>

Returned & Services League of Australia (Queensland Branch)
Directors' declaration
31 December 2024

In the directors' opinion:

- (a) the financial report and notes set out on pages 6 to 29 are in accordance with the *Collections Act 1966 (QLD)* and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012)* , including:
 - (i) complying with Accounting Standards - Simplified Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Regulation 2013* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and
- (c) the consolidated statement of profit or loss and other comprehensive income gives a true and fair view of the all income and expenditure of the Group with respect to fundraising appeals, and
- (d) the consolidated balance sheet gives a true and fair view of the state of affairs of the Group with respect to fundraising appeals, and
- (e) the financial report and associated records of the Group have been properly kept during the year ended 31 December 2024 in accordance with the provisions of the *Charitable Fundraising Act 1991(NSW)*, the regulations under the Act and the conditions attached to Group's authority, and
- (f) the internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied by the Group from any of its fundraising appeals.

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



Major General Stephen Day DSC, AM
State President/Director

Brisbane
8 May 2025



Independent auditor's report

To the members of Returned & Services League of Australia (Queensland Branch)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Returned & Services League of Australia (Queensland Branch) (the Entity) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 31 December 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the declaration of the Directors.

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

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors 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 *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* 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 ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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://auasb.gov.au/media/apzlw0y/ar3_2024.pdf. This description forms part of our auditor's report.



Report on the requirements of the Charitable Fundraising Act 1991 (NSW) and Charitable Fundraising Regulation 2021 (NSW)

We have audited the financial report of the Group as required by Section 24(1) of the Charitable Fundraising Act 1991 (NSW) (the Act). The directors of the Group are responsible for the preparation and presentation of the financial report in accordance with the Act and the Charitable Fundraising Regulation 2021 (NSW) (the Regulation). Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion, in all material respects:

- (a) The financial report of the Group represents a true and fair view of the financial results of the fundraising appeals for the financial year ended 31 December 2024 and has been prepared in accordance with the Section 24(1) of the Act;
- (b) The accounts and associated records of the Group have been properly kept, during the financial year ended 31 December 2024, in accordance with:
 - i. Sections 20(1), 22(1-2) and 24(1-3) of the Act; and
 - ii. Sections 14-1 and 17 of the Regulation;
- (c) Money received as a result of fundraising appeal activities conducted by the Group during the financial year ended 31 December 2024 has been properly accounted for and applied in accordance with the Act and Regulation.

A blue ink signature of PricewaterhouseCoopers.

PricewaterhouseCoopers

A blue ink signature of Darren Jenns.

Darren Jenns
Partner

Brisbane
8 May 2025