

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

ABN 79 902 601 713

**Annual report
for the year ended 31 December 2020**

Returned & Services League of Australia (Queensland Branch)

ABN 79 902 601 713

Financial report - 31 December 2020

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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 17 June 2021. 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 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	2	169,164,116	130,871,860
Other income	3(a)	5,962,051	7,168,863
Other gains/(losses) – net	3(b)	849,516	2,712,996
Lottery prizes, marketing and commission expenses		(77,610,769)	(65,321,832)
Employee benefits expense		(37,768,109)	(30,166,476)
Donations and welfare expenses	4	(5,345,796)	(5,187,289)
IT and communications expenses		(5,050,503)	(4,321,800)
Depreciation and amortisation expense		(6,308,004)	(5,863,504)
Property expenses		(3,233,722)	(2,862,324)
Meeting and travel expenses		(811,280)	(1,457,149)
Bank and merchant fees		(1,351,916)	(1,126,785)
Support services expenses		(217,221)	(554,073)
Other expenses		(2,411,794)	(2,710,365)
Finance costs	3(c)	(169,809)	(151,916)
Surplus for the year		35,696,760	21,030,206
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	18(a)	(60,044)	80,913
Other comprehensive (loss)/income for the year, net of tax		(60,044)	80,913
Total comprehensive income for the year		35,636,716	21,111,119

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 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	50,800,603	41,655,927
Trade and other receivables	6	2,563,566	3,797,219
Inventories	7	36,424,782	35,302,812
Financial assets at amortised cost	8	73,375,800	57,445,096
Other assets	15	13,804,912	8,803,332
Total current assets		176,969,663	147,004,386
Non-current assets			
Inventories	7	20,635,918	11,994,945
Property, plant and equipment	9	28,167,343	29,230,763
Right-of-use assets	11	2,373,780	2,096,183
Investment properties	10	9,277,839	9,713,719
Intangible assets	12	16,776,990	19,091,568
Financial assets at fair value through profit or loss	13	15,438,531	15,502,454
Financial assets at fair value through other comprehensive income	14	8,638,437	6,861,826
Other assets	15	4,702,128	3,552,846
Total non-current assets		106,010,966	98,044,304
Total assets		282,980,629	245,048,690
LIABILITIES			
Current liabilities			
Trade and other payables	16	6,325,927	8,561,591
Contract liabilities	2(a)	12,414,757	9,539,663
Lease liabilities	11	945,496	1,062,288
Employee benefit obligations	17	2,638,043	1,582,386
Total current liabilities		22,324,223	20,745,928
Non-current liabilities			
Lease liabilities	11	1,657,551	1,106,978
Employee benefit obligations	17	391,236	224,881
Total non-current liabilities		2,048,787	1,331,859
Total liabilities		24,373,010	22,077,787
Net assets		258,607,619	222,970,903
EQUITY			
Other reserves	18(a)	(10,639)	49,405
Retained earnings	18(b)	258,618,258	222,921,498
Total equity		258,607,619	222,970,903

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 2020

	Notes	Other reserves \$	Accumulated funds \$	Total equity \$
Balance at 1 January 2019		(31,508)	200,509,127	200,477,619
Prior year restatement		-	(6,422,510)	(6,422,510)
Adjustment on adoption of AASB 15		-	7,804,675	7,804,675
Restated total equity at the beginning of the financial year		(31,508)	201,891,292	201,859,784
Surplus for the year		-	21,030,206	21,030,206
Other comprehensive income/(loss)		80,913	-	80,913
Total comprehensive income for the year		80,913	21,030,206	21,111,119
Balance at 31 December 2019		49,405	222,921,498	222,970,903
Balance at 1 January 2020		49,405	222,921,498	222,970,903
Surplus for the year		-	35,696,760	35,696,760
Other comprehensive income/(loss)		(60,044)	-	(60,044)
Total comprehensive (loss)/income for the year		(60,044)	35,696,760	35,636,716
Balance at 31 December 2020		(10,639)	258,618,258	258,607,619

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 2020

	2020	2019
Notes	\$	\$
Cash flows from operating activities		
Surplus for the year	35,696,760	21,030,206
Depreciation and amortisation	6,308,004	5,863,504
Impairment expense on non-operating balance sheet items	-	286,529
Net loss/(gain) on sale of non-current assets	90,028	(347,267)
Fair value gains on financial assets at fair value through profit or loss	(848,675)	(2,719,796)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	703,814	102,161
Increase in inventories	(9,762,943)	(16,194,964)
Increase in contract assets, prepayments and other operating assets	(5,621,025)	(5,612,695)
Increase in trade and other payables and contract liabilities	639,429	4,853,327
Increase in other operating liabilities	1,222,012	114,647
Net cash inflow from operating activities	28,427,404	7,375,652
Cash flows from investing activities		
Payments for property, plant and equipment	(891,145)	(1,082,176)
Net movement in investments	(16,854,760)	(2,171,656)
Payments for intangibles	(1,411,972)	(3,102,991)
Repayment of loans to related parties	-	3,802,356
Proceeds from sale of property, plant and equipment	730,010	808,125
Net cash (outflow) from investing activities	(18,427,867)	(1,746,342)
Cash flows from financing activities		
Principal elements of lease payments	(854,861)	(969,881)
Net cash (outflow) from financing activities	(854,861)	(969,881)
Net increase in cash and cash equivalents	9,144,676	4,659,429
Cash and cash equivalents at the beginning of the financial year	41,655,927	36,996,498
Cash and cash equivalents at end of year	50,800,603	41,655,927

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

1 Summary of significant accounting policies

This note provides a list of all significant 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 are 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 - Reduced 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 and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2020:

- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material [AASB 101 and AASB 108]
- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business [AASB 3]
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7]
- AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]
- Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework.

The adoption of these amendments did not have any impact on the current year or any prior year and is not likely to affect future years.

(iv) 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.

(v) 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 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:

- Estimated impairment of financial assets - note 1(m)
- Estimated impairment of non-financial assets - note 1(f)

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(vi) 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 2020 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.

(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.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

(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) 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.

(e) 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.

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.

1 Summary of significant accounting policies (continued)

(e) Leases (continued)

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.

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.

(f) 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.

(g) 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.

1 Summary of significant accounting policies (continued)

(h) 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.

(i) 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 2020 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.

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.

(j) 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:

1 Summary of significant accounting policies (continued)

(j) Property, plant and equipment (continued)

- | | |
|--------------------------|-------------|
| • 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(f)).

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

(k) 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%.

(l) Intangible assets

(i) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. 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.

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

(m) 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.

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).

1 Summary of significant accounting policies (continued)

(m) Investments and other financial assets (continued)

(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 8)

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 statement of profit or loss.

Corporate bonds and bank notes (note 14)

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 and managed funds (note 13)

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 statement of profit or loss 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 significant accounting policies (continued)

(n) 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.

(o) 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.

(p) 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.

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2020
(continued)

2 Revenue from contracts with customers

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

	2020 \$	2019 \$
Sale of goods	16,931	94,503
Lottery ticket sales	169,147,185	130,777,357
	<u>169,164,116</u>	<u>130,871,860</u>

(a) Assets and liabilities related to contracts with customers

	2020 \$	2019 \$
Current other assets - contract costs	13,804,912	8,803,332
Non-current other assets - contract costs	4,702,128	3,552,846
Total contract costs	<u>18,507,040</u>	<u>12,356,178</u>
Contract liability - advance ticket sales	<u>(12,414,757)</u>	<u>(9,539,663)</u>

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting year relates to carried-forward contract liabilities that were satisfied in a prior year:

	2020 \$	2019 \$
<i>Revenue recognised that was included in the contract liability balance at the beginning of the year</i>		
Lottery ticket sales	<u>9,539,663</u>	<u>7,753,738</u>

(ii) Assets recognised from costs to obtain or fulfil a contract

The Group has recognised assets in relation to costs to obtain commission contracts and costs to fulfil contracts. This is presented within other assets in the consolidated balance sheet.

	2020 \$	2019 \$
Asset recognised from costs incurred to obtain or fulfil a contract	18,507,040	12,356,178
Amortisation recognised as cost to obtain contracts during the year	12,966,376	9,731,439
Amortisation recognised as cost to fulfil contracts during the year	1,025,215	1,382,165

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2020
(continued)

3 Other income and expense items

(a) Other income

	2020	2019
	\$	\$
Rental income	2,316,035	2,396,189
Interest income	1,110,316	1,953,058
Dividends	606,415	857,896
Donations	612,993	623,797
Government subsidies	100,000	-
Sundry income	1,216,292	1,337,923
	<u>5,962,051</u>	<u>7,168,863</u>

(b) Other gains/(losses)

	2020	2019
	\$	\$
Net (loss)/gain on disposal of property, plant and equipment	(90,028)	347,267
Net fair value gains/(losses) on financial assets at fair value through profit or loss	848,675	2,719,796
Net impairment reversal/(losses)	90,869	(354,067)
	<u>849,516</u>	<u>2,712,996</u>

(c) Finance costs

	2020	2019
	\$	\$
Interest and finance charges paid/payable for lease liabilities	(169,809)	(151,916)
Finance costs expended	<u>(169,809)</u>	<u>(151,916)</u>

Notes
11

4 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.

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

	2020	2019
	\$	\$
Gross proceeds of fundraising appeals (as defined by the Act)	169,300,128	130,871,860
Cost of fundraising appeals	(79,164,583)	(61,280,026)
Net surplus obtained from fundraising appeals	90,135,545	69,591,834

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

	2020	2019
	\$	\$
Donations and sponsorship	(5,345,796)	(5,187,289)
Veteran services and compliance	(13,825,110)	(14,362,986)
Welfare property expenditure	(4,259,159)	(3,669,418)
Total charitable expenditure	(23,430,065)	(23,219,693)

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.

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2020
(continued)

5 Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank and in hand	50,195,268	40,528,719
Cash held by investment manager	605,335	1,127,208
	<u>50,800,603</u>	<u>41,655,927</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 \$373,249 (2019: \$303,815) 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.

6 Trade and other receivables

	Current \$	2020 Non- current \$	Total \$	Current \$	2019 Non- current \$	Total \$
Trade receivables	284,545	-	284,545	154,863	-	154,863
Loss allowance	(16,109)	-	(16,109)	(67,538)	-	(67,538)
	<u>268,436</u>	<u>-</u>	<u>268,436</u>	<u>87,325</u>	<u>-</u>	<u>87,325</u>
Other receivables	165,979	-	165,979	116,693	-	116,693
GST receivable	982,924	-	982,924	1,917,137	-	1,917,137
Prepayments	1,146,227	-	1,146,227	1,676,064	-	1,676,064
Loans to related parties (a)	34,421	3,230,006	3,264,427	21,987	3,844,445	3,866,432
Loss allowance	(34,421)	(3,230,006)	(3,264,427)	(21,987)	(3,844,445)	(3,866,432)
	<u>2,563,566</u>	<u>-</u>	<u>2,563,566</u>	<u>3,797,219</u>	<u>-</u>	<u>3,797,219</u>

(a) Loans to related parties

	2020 \$	2019 \$
Loans to sub branches:		
Bowen	32,000	34,000
Sarina	-	583,161
Yeppoon	104,823	99,680
Charters Towers	1,142,950	1,142,950
Mareeba	1,984,654	1,984,654
	<u>3,264,427</u>	<u>3,844,445</u>

6 Trade and other receivables (continued)

(a) Loans to related parties (continued)

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.

Yeppoon

The loan was established on 17 August 2015 and is secured by a general security agreement over the plant and equipment of the RSL Yeppoon Sub Branch. The loan has been fully impaired.

Sarina

The loan was established on 13 August 2013 and is secured by a mortgage over the property situated at 34 Central St, Sarina. 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.

Mareeba

The loan was established on 21 December 2011 and is secured by a mortgage over the property situated at 88 Byrnes St, Mareeba. The loan has been fully impaired.

7 Inventories

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Art Union						
Art Union	37,297,254	20,635,918	57,933,172	36,239,293	11,994,945	48,234,238
Provision for impairment - Art Union	(872,472)	-	(872,472)	(936,481)	-	(936,481)
	<u>36,424,782</u>	<u>20,635,918</u>	<u>57,060,700</u>	<u>35,302,812</u>	<u>11,994,945</u>	<u>47,297,757</u>

8 Financial assets at amortised cost

	Current \$	2020 Non- current \$	Total \$	Current \$	2019 Non- current \$	Total \$
Bank fixed rate term deposits	73,262,039	- 73,262,039	57,403,931	57,403,931	- 57,403,931	-
Other financial assets	113,761	-	113,761	41,165	-	41,165
	<u>73,375,800</u>	<u>- 73,375,800</u>	<u>57,445,096</u>	<u>57,445,096</u>	<u>- 57,445,096</u>	<u>-</u>

Bank fixed rate term deposits, including those managed by JB Were are made for varying periods, on average six months, depending on the group's cash requirements. These deposits earn interest at variable rates between 0.5% - 2.0% (2019: 0.7% - 2.7%). 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.

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2020
(continued)

9 Non-current assets - Property, plant and equipment

Non-current	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Assets under construction \$	Total \$
At 1 January 2019					
Cost	36,257,630	7,204,458	512,891	478,180	44,453,159
Accumulated depreciation	(5,669,889)	(2,834,891)	(261,719)	-	(8,766,499)
Accumulated impairment	(5,042,818)	-	-	-	(5,042,818)
Net book amount	25,544,923	4,369,567	251,172	478,180	30,643,842
Year ended 31 December 2019					
Opening net book amount	25,544,923	4,369,567	251,172	478,180	30,643,842
Additions	-	-	-	1,082,176	1,082,176
Disposals	(670,595)	(87,993)	(90,887)	-	(849,475)
Transfers	461,557	-	-	(461,557)	-
Depreciation charge	(988,610)	(611,229)	(45,941)	-	(1,645,780)
Closing net book amount	24,347,275	3,670,345	114,344	1,098,799	29,230,763
At 31 December 2019					
Cost	35,847,873	7,057,211	282,214	1,098,799	44,286,097
Accumulated depreciation	(6,457,780)	(3,386,866)	(167,870)	-	(10,012,516)
Accumulated impairment	(5,042,818)	-	-	-	(5,042,818)
Net book amount	24,347,275	3,670,345	114,344	1,098,799	29,230,763
Year ended 31 December 2020					
Opening net book amount	24,347,275	3,670,345	114,344	1,098,799	29,230,763
Additions	-	203,761	-	687,384	891,145
Transfers	(461,557)	2,056,783	-	(1,595,226)	-
Disposals	-	(250,783)	(56,810)	-	(307,593)
Depreciation charge	(988,321)	(633,016)	(25,635)	-	(1,646,972)
Closing net book amount	22,897,397	5,047,090	31,899	190,957	28,167,343
At 31 December 2020					
Cost	35,374,173	7,347,548	83,265	190,957	42,995,943
Accumulated depreciation	(7,433,958)	(2,300,458)	(51,366)	-	(9,785,782)
Accumulated impairment	(5,042,818)	-	-	-	(5,042,818)
Net book amount	22,897,397	5,047,090	31,899	190,957	28,167,343

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2020
(continued)

10 Investment properties

	2020	2019
	\$	\$
Non-current assets - at cost		
Cost	11,338,944	11,567,072
Accumulated depreciation	<u>(2,061,105)</u>	<u>(1,853,353)</u>
	<u>9,277,839</u>	<u>9,713,719</u>
	2020	2019
	\$	\$
Movements:		
Carrying amount at the beginning of the year	9,713,719	9,983,782
Depreciation	<u>(270,063)</u>	<u>(270,063)</u>
	<u>9,443,656</u>	<u>9,713,719</u>

11 Leases

(a) Amounts recognised in the balance sheet

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

	2020	2019
	\$	\$
Right-of-use assets		
Premises	1,927,329	1,575,485
Vehicles	<u>446,451</u>	<u>520,698</u>
	<u>2,373,780</u>	<u>2,096,183</u>
Lease liabilities		
Current	945,496	1,062,288
Non-current	<u>1,657,551</u>	<u>1,106,978</u>
	<u>2,603,047</u>	<u>2,169,266</u>

Additions to the right-of-use assets during the 2020 financial year were \$1,288,642.

11 Leases (continued)

(b) Amounts recognised in the statement of profit or loss

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

	Notes	2020 \$	2019 \$
Depreciation charge of right-of-use assets			
Premises		675,369	768,941
Vehicles		217,568	274,022
		892,937	1,042,963

Interest expense (included in finance cost)	3(c)	169,809	151,915
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12 Intangible assets

	Software \$	Work in progress \$	Total \$
At 1 January 2019			
Cost	21,276,727	758,023	22,034,750
Accumulated amortisation and impairment	(3,141,475)	-	(3,141,475)
Net book amount	18,135,252	758,023	18,893,275
Year ended 31 December 2019			
Opening net book amount	18,135,252	758,023	18,893,275
Additions	-	3,102,991	3,102,991
Transfers	3,480,186	(3,480,186)	-
Amortisation charge	(2,904,698)	-	(2,904,698)
Closing net book amount	18,710,740	380,828	19,091,568
Cost	24,756,913	380,828	25,137,741
Accumulated amortisation and impairment	(6,046,173)	-	(6,046,173)
Net book amount	18,710,740	380,828	19,091,568
Year ended 31 December 2020			
Opening net book amount	18,710,740	380,828	19,091,568
Additions	-	1,411,972	1,411,972
Transfers	822,413	(822,413)	-
Amortisation charge	(3,726,550)	-	(3,726,550)
Closing net book amount	15,806,603	970,387	16,776,990
At 31 December 2020			
Cost	23,148,329	970,387	24,118,716
Accumulated amortisation and impairment	(7,341,726)	-	(7,341,726)
Net book amount	15,806,603	970,387	16,776,990

13 Financial assets at fair value through profit or loss

	2020 \$	2019 \$
Equity securities and managed funds	<u>15,438,531</u>	<u>15,502,454</u>

The JB Were 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.

14 Financial assets at fair value through other comprehensive income

	2020 \$	2019 \$
Non-current assets		
Corporate bonds and bank notes	<u>8,638,437</u>	<u>6,861,826</u>
	<u>8,638,437</u>	<u>6,861,826</u>

The JB Were 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:

- Equity securities 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.

15 Other assets

	2020 Current \$	2020 Non-current \$	2020 Total \$	2019 Current \$	2019 Non-current \$	2019 Total \$
Contract costs	<u>13,804,912</u>	<u>4,702,128</u>	<u>18,507,040</u>	8,803,332	3,552,846	12,356,178

16 Trade and other payables

	2020 \$	2019 \$
Trade payables and accruals	<u>6,325,927</u>	<u>8,561,591</u>

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2020
(continued)

17 Employee benefit obligations

	Current	2020 Non- current	Total	Current	2019 Non- current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations	2,638,043	391,236	3,029,279	1,582,386	224,881	1,807,267

18 Other reserves and accumulated funds

(a) Other reserves

	2020 \$	2019 \$
Financial assets at fair value through other comprehensive income	(10,639)	49,405

Movements:

Financial assets at fair value through other comprehensive income

Opening balance	49,405	(31,508)
Net gains/losses - gross	(60,044)	80,913
Balance 31 December	(10,639)	49,405

Financial assets at FVOCI

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in note 14. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(b) Accumulated funds

Movements in accumulated funds were as follows:

	2020 \$	2019 \$
Balance 1 January	222,921,498	201,891,292
Surplus for the year	35,696,760	21,030,206
Balance 31 December	258,618,258	222,921,498

19 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

(i) Audit and other assurance services

	2020 \$	2019 \$
Audit of financial statements	90,000	60,000
Other assurance services	52,000	64,000
Total remuneration for audit and other assurance services	<u>142,000</u>	<u>124,000</u>

(ii) Other services

Assistance with the preparation of the financial statements	10,000	12,000
Total remuneration for other services	<u>10,000</u>	<u>12,000</u>
	<u>152,000</u>	<u>136,000</u>

20 Contingencies

The Group had no contingent liabilities at 31 December 2020 (2019: nil).

21 Commitments

(a) Capital commitments

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

	2020 \$	2019 \$
Construction of property for future Art Unions	<u>12,876,346</u>	<u>7,475,218</u>

(b) Operating expenditure

At reporting date, the Group has the following commitments:

- Executed agreement with the Gallipoli Medical Research Foundation entered into on 18 December 2019 for \$7,500,000. The terms of the agreement is 5 years and the amount payable in 2021 is \$1,500,000.
- Executed agreement with the Salvation Army entered into on 28 June 2019 for the Veterans Homelessness Program. The terms of the agreement is 2 years and the amount payable is \$400,000 each year.

22 Related party transactions

(a) Key management personnel compensation

	2020 \$	2019 \$
Key management personnel compensation	<u>2,523,787</u>	<u>2,774,554</u>

(b) Transactions with other related parties

The following transactions occurred with related parties:

	2020 \$	2019 \$
Payments to Districts	<u>1,633,226</u>	<u>1,445,630</u>

During the year, the parent entity made a donation of \$5,199,997 (2019: \$5,006,000) to its wholly-owned subsidiary Mates4Mates Limited to support the organisations operations in the delivery of veteran services. This donation has been fully eliminated in the consolidated financial statements of the Group.

23 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.

Returned & Services League of Australia (Queensland Branch)
Notes to the consolidated financial statements
31 December 2020
(continued)

24 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:

	2020	2019
	\$	\$
Balance sheet		
Current assets	174,441,382	146,054,536
Non-current assets	105,003,437	97,472,571
Total assets	279,444,819	243,527,107
Current liabilities	21,349,931	20,116,310
Non-current liabilities	1,236,350	1,085,625
Total liabilities	22,586,281	21,201,935
Net assets	256,858,538	222,325,172
<i>Shareholders' equity</i>		
Reserves		
Financial assets at fair value through other comprehensive income	(10,639)	49,405
Retained earnings	256,869,177	222,275,767
	256,858,538	222,325,172
Profit for the year	34,593,411	20,658,061
Total comprehensive income	34,533,367	20,738,974

Returned & Services League of Australia (Queensland Branch)
Directors' declaration
31 December 2020

In the directors' opinion:

- (a) the financial report and notes set out on pages 1 to 27 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 - Reduced 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 2020 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 2020 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.



Mr Anthony Ferris
Director



Mr Barry Vains OAM
Director

Brisbane
17 June 2021



Auditor's Independence Declaration

As lead auditor for the audit of Returned & Services League of Australia (Queensland Branch) for the year ended 31 December 2020, 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
17 June 2021



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 Company) 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 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 31 December 2020
- 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, which include significant accounting policies and other explanatory information
- the directors' declaration.

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.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, 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.

Responsibilities of the 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 - Reduced Disclosure Requirements 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:
http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Report on legal and other regulatory requirements

Report on the requirements of the Charitable Fundraising Act 1991 (NSW) and Charitable Fundraising Regulation 2015 (NSW)

We have audited the financial report of the Group as required by Section 24(2) 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 2015 (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 2020 and has been prepared in accordance with the Section 24(2) of the Act.

(b) The accounts and associated records of the Group have been properly kept, during the financial year ended 31 December 2020, in accordance with:

- i. Sections 20(1), 22(1-2) and 24(1-3) of the Act
- ii. Sections 10(1) and 11 of the Regulation

(c) Money received as a result of fundraising appeal activities conducted by the Group during the financial year ended 31 December 2020 has been properly accounted for and applied in accordance with the Act and Regulation.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

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

Darren Jenns
Partner

Brisbane
21 June 2021