

Queensland Lottery Corporation Pty Ltd

ACN 124 921 311

**Financial Report
for the year ended
30 June 2024**

CONTENTS

| | |
|------------------------------------------------------------|----|
| DIRECTOR'S REPORT | 1 |
| AUDITOR'S INDEPENDENCE DECLARATION | 3 |
| STATEMENT OF COMPREHENSIVE INCOME..... | 4 |
| BALANCE SHEET | 5 |
| STATEMENT OF CHANGES IN EQUITY..... | 6 |
| STATEMENT OF CASH FLOWS..... | 7 |
| NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS..... | 8 |
| DIRECTOR'S DECLARATION..... | 14 |
| INDEPENDENT AUDITOR'S REPORT..... | 15 |

DIRECTOR'S REPORT

The director presents the following report together with the financial report of Queensland Lottery Corporation Pty Ltd (QLC) for the year ended 30 June 2024 in accordance with a resolution of the director.

DIRECTOR

The name of the sole director of QLC in office during or since the end of the financial year is I Munro.

(R Somerville is an alternate director for I Munro).

The director did not hold any interests in shares or options of QLC.

PRINCIPAL ACTIVITIES

QLC was formed as part of the privatisation of Golden Casket Lottery Corporation Limited (GCLC) in April 2007. QLC holds the Queensland lottery licence and Golden Casket brands and trademarks on behalf of the State Government of Queensland, which are licensed to The Lottery Corporation Group through GCLC. There were no significant changes in the nature of the above activities during the financial year.

REVIEW AND RESULTS OF OPERATIONS

The net profit after tax of QLC for the financial year was \$52 914 (2023: \$23 813).

Other than interest revenue on cash holdings, there were no significant sources of income for the year, as all revenue for the 2007 licencing arrangements with GCLC was received upfront.

DIVIDENDS

No dividends were paid during the year (2023: Nil).

EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of QLC, the results of those operations or the state of affairs of QLC in future financial years.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

There are no known matters or circumstances which are likely to significantly affect the operations or results of QLC in the future.

PERFORMANCE IN RELATION TO ENVIRONMENTAL LEGISLATION

The sole director is not aware of any breaches of environmental regulations during or since the end of the financial year.

DIRECTOR'S REMUNERATION

Remuneration was paid to the independent director of QLC during the financial year.

Details of the nature and amount of each major element of the remuneration of the director are as follows:

| | Base Salary 2024 \$ | Super 2024 \$ | Total 2024 \$ | Base Salary 2023 \$ | Super 2023 \$ | Total 2023 \$ |
|--------------|----------------------------------------|------------------------------|------------------------------|----------------------------------------|------------------------------|------------------------------|
| I Munro | 5 071 | 558 | 5 629 | 5 071 | 533 | 5 604 |
| Total | 5 071 | 558 | 5 629 | 5 071 | 533 | 5 604 |

There are no other monetary or non-monetary benefits paid to the independent director during the financial year.

INDEMNIFICATION OF OFFICERS AND AUDITORS

QLC has not, during the financial year, in respect of any person who is or has been an officer or auditor of QLC or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings, or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

The State of Queensland has indemnified all company officers for certain liabilities which they may incur by reason of acting as an officer of QLC or related corporations.

The auditor of QLC for the year ended 30 June 2024 is the Auditor-General of Queensland.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with a resolution of the sole director.



I Munro
Director

12 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

To the Director of Queensland Lottery Corporation Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Queensland Lottery Corporation Pty Ltd for the financial year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

mluwinga

12 August 2024

Martin Luwiga
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

| | Notes | 2024 \$ | 2023 \$ |
|------------------------------------------------------------------------------------------------------------|-------|----------------|---------------|
| Income | | | |
| Interest revenue | 3 | 131 733 | 88 190 |
| Total income | | 131 733 | 88 190 |
| Expenses | | | |
| Lottery Licence fees | | 46 900 | 44 000 |
| Director's remuneration | | 5 629 | 5 604 |
| Management fee - QTC | | 3 241 | 3 948 |
| Other | | 372 | 619 |
| Total expenses | | 56 142 | 54 171 |
| Profit before income tax | | 75 591 | 34 019 |
| Income tax expense | 4 | (22 677) | (10 206) |
| Profit for the year after income tax | | 52 914 | 23 813 |
| Total comprehensive income attributable to equity holders of Queensland Lottery Corporation Pty Ltd | | 52 914 | 23 813 |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 30 June 2024

| | Notes | 2024 \$ | 2023 \$ |
|----------------------------------|-------|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | 5 | 2 721 454 | 2 648 144 |
| Prepayments | | 11 900 | 11 200 |
| Receivables | 6 | 10 303 | 8 721 |
| Total current assets | | 2 743 657 | 2 668 065 |
| Non-current assets | | | |
| Deferred tax asset | | 2 654 | 25 331 |
| Total non-current assets | | 2 654 | 25 331 |
| TOTAL ASSETS | | 2 746 311 | 2 693 396 |
| Current liabilities | | | |
| Payables | | 380 | 379 |
| Total current liabilities | | 380 | 379 |
| TOTAL LIABILITIES | | 380 | 379 |
| NET ASSETS | | 2 745 931 | 2 693 017 |
| Equity | | | |
| Contributed equity | 7(a) | 1 | 1 |
| Retained profits | | 2 745 930 | 2 693 016 |
| TOTAL EQUITY | | 2 745 931 | 2 693 017 |

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

| | Contributed Equity | Retained Profits | Total Equity |
|--------------------------------|---------------------------|-------------------------|---------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2022 | 1 | 2 669 203 | 2 669 204 |
| Profit for the year | - | 23 813 | 23 813 |
| Balance at 30 June 2023 | 1 | 2 693 016 | 2 693 017 |
| Balance at 1 July 2023 | 1 | 2 693 016 | 2 693 017 |
| Profit for the year | - | 52 914 | 52 914 |
| Balance at 30 June 2024 | 1 | 2 745 930 | 2 745 931 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

| | Notes | 2024 | 2023 |
|-------------------------------------------------------------------|--------------|------------------|------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Interest received | | 131 733 | 88 190 |
| Payments to suppliers and employees | | (58 423) | (40 293) |
| GST received from the ATO | | - | 2 009 |
| GST paid to suppliers | | - | (2 009) |
| Net cash provided by operating activities | 11 | 73 310 | 47 897 |
| | | | |
| Net increase in cash and cash equivalents | | 73 310 | 47 897 |
| | | | |
| Cash and cash equivalents at the beginning of the financial year | | 2 648 144 | 2 600 247 |
| Cash and cash equivalents at the end of the financial year | 5 | 2 721 454 | 2 648 144 |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements for the year ended 30 June 2024

1. General Information

Queensland Lottery Corporation Pty Ltd (QLC) is a for profit company incorporated and domiciled in Brisbane, Australia. The address of its registered office is Level 31, 111 Eagle Street, Brisbane, Australia.

The financial report of QLC for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the sole director on 12 August 2024.

QLC is wholly owned by Queensland Treasury Holdings Pty Ltd. It was formed in 2007 as part of the privatisation of Golden Casket Lottery Corporation Limited (GCLC). QLC holds the Queensland lottery licence and Golden Casket brands and trademarks on behalf of the State Government, which are licensed to The Lottery Corporation Group through GCLC.

2. Material Accounting Policies and other explanatory information

The material accounting policies adopted in the preparation of these financial statements are set out below. The material accounting policies have been applied consistently to all years presented.

(a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the requirements of the *Corporations Act 2001*.

Basis of measurement

The financial statements have been prepared using the historical cost convention.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is QLC's functional currency.

Use of estimates and judgements

QLC has made no judgements or assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

Comparative information

No changes have been made to comparative figures in the current year.

(b) Income tax

QLC is subject to the National Tax Equivalents Regime (NTER). Under the NTER, QLC is required to make payments to the State Treasurer equivalent to the amount of Commonwealth income tax that would be payable under the *Income Tax Assessment Acts*.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Notes to and forming part of the financial statements for the year ended 30 June 2024

2. Material Accounting Policies and other explanatory information (continued)

(c) Cash and cash equivalents

For the purpose of the Balance Sheet and Statement of Cash Flows, cash includes cash at bank and deposits at call.

(d) Payables

These amounts represent liabilities for goods and services provided to QLC prior to the end of the financial year that are unpaid at 30 June. The amounts are unsecured and are usually paid within 30 days of recognition.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- receivables and payables are stated with the amount of GST included.

(f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest revenue

Interest revenue is recognised using the effective interest rate method. Accrued interest is recognised as a receivable.

(g) Lottery licence fee

The lottery licence fee is paid quarterly in advance and recognised in the period to which it relates.

(h) New accounting standards and interpretations

No new accounting standards or interpretations that apply to QLC for the first time in 2023-24 had any material impact on the financial statements.

Standards and interpretations not yet adopted

No Australian Accounting Standards have been adopted early for the year ended 30 June 2024.

Queensland Lottery Corporation Pty Ltd
ACN 124 921 311

Notes to and forming part of the financial statements for the year ended 30 June 2024

| | 2024 | 2023 |
|-----------------------------------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| 3. Interest revenue | | |
| Interest – QTC Cash Fund | 131 707 | 88 142 |
| Interest – Bank | 26 | 48 |
| | 131 733 | 88 190 |
| 4. Income tax | | |
| Income tax expense | 22 677 | 10 206 |
| Numerical reconciliation of income tax expense to prima facie tax payable: | | |
| Profit from continuing operations before income tax expense | 75 591 | 34 019 |
| Tax at the Australian tax rate of 30% | 22 677 | 10 206 |
| 5. Cash and cash equivalents | | |
| Cash at bank | 503 | 540 |
| QTC Cash Fund | 2 720 951 | 2 647 604 |
| | 2 721 454 | 2 648 144 |
| 6. Receivables | | |
| Accrued interest | 10 303 | 8 721 |
| 7. Contributed equity | | |
| (a) Issued and paid up capital | | |
| Issued and Paid up | | |
| Ordinary class shares | 1 | 1 |
| (b) No movement has occurred in the number of shares on issue. | | |

Notes to and forming part of the financial statements for the year ended 30 June 2024

8. Related party transactions

(a) Ultimate controlling entity

Queensland Treasury Holdings Pty Ltd (QTH) is the sole shareholder of QLC. The ultimate parent entity of QLC is the State of Queensland.

(b) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of QLC, being the sole director.

i. Compensation - director

Compensation includes income paid or payable to the independent director of QLC during the financial year:

| | 2024 | 2023 |
|------------------------------|--------------|--------------|
| | \$ | \$ |
| Independent directors | | |
| Short-term employee benefits | 5 071 | 5 071 |
| Post-employment benefits | 558 | 533 |
| Total | 5 629 | 5 604 |

ii. Compensation - other officers

QLC does not employ any other officers. All administration is outsourced to Queensland Treasury Corporation (QTC), a related party.

iii. Other related party transactions – key management personnel

There were no loans to/from key management personnel during the financial year. Nor were there any other transactions between related parties and key management personnel.

(c) Other related party transactions

During the year, the following transactions were undertaken between QLC and related parties. All transactions were at normal commercial terms and conditions unless otherwise stated.

- Funds invested in the QTC Cash Fund totalled \$2 720 951 (2023: \$2 647 604) and interest revenue received, net of management fees paid during the year totalled \$128 466 (2023: \$84 193).
- QTC provided administrative and company secretariat services to QLC. Due to the group nature of these expenses, QLC's parent company QTH has been charged these expenses for the 2023-24 financial year.
- Due to the group nature of the audit work performed, QLC's parent company QTH has incurred the audit expenses on behalf of the group for the 2023-24 financial year, including the audit work performed directly for QLC.

Notes to and forming part of the financial statements for the year ended 30 June 2024

9. Contingent liabilities

As at 30 June 2024, QLC had no contingent liabilities.

10. Commitments

As at 30 June 2024, QLC had no material capital or other expenditure commitments.

11. Reconciliation of profit after income tax to cash flows from operating activities

| | 2024 | 2023 |
|--------------------------------------------------|---------------|---------------|
| | \$ | \$ |
| Profit after income tax | 52 914 | 23 813 |
| Changes in assets and liabilities | | |
| - (Increase)/Decrease in receivables | (1 582) | 16 683 |
| - (Increase) in prepayments | (700) | (800) |
| - Decrease in deferred tax assets | 22 677 | 10 206 |
| - Increase/(Decrease) in payables | 1 | (2 005) |
| Net cash provided by operating activities | 73 310 | 47 897 |

12. Financial risk management

QLC has only minimal exposure to financial risk which includes market risk, liquidity risk and credit risk. QLC manages these exposures in consultation with QTC.

(a) Market risk

QLC does not trade in foreign currency and is not exposed to commodity price changes or other market prices.

Interest rate risk

QLC is exposed to interest rate risk through its investment in the QTC Cash Fund and cash held at the Commonwealth Bank. These accounts receive variable interest returns, and QLC aims to maximise deposits in the QTC Cash Fund.

(b) Liquidity risk

QLC has limited exposure to liquidity risk in the normal course of business. Current assets are valued at \$2 743 657 while current liabilities are valued at \$380.

(c) Credit risk

QLC is exposed to credit risk through its investments primarily in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

The maximum credit risk exposure of QLC is represented by the carrying amounts of assets recognised in the Balance Sheet.

Notes to and forming part of the financial statements for the year ended 30 June 2024

12. Financial risk management (continued)

(d) Fair values of assets and liabilities

The carrying amounts represent fair value of financial assets and liabilities of QLC at balance date. These consist of deposits with QTC at prevailing market rates and short term payables and receivables.

(e) Fair value hierarchy

The fair value hierarchy has not been produced as no valuation techniques have been applied. Financial assets held at balance date represent short term receivables or balances of cash holdings. Cash holdings are primarily in the QTC Cash Fund and fair value is based on the net realisable value. For the purposes of the fair value hierarchy, these financial assets are classified as Level 2.

13. Events subsequent to balance date

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of QLC, the results of those operations or the state of affairs of QLC in future years.

Director's Declaration

The director of Queensland Lottery Corporation Pty Ltd declares that:

The financial statements and associated notes as set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (b) giving a true and fair view of the financial position of the company as at 30 June 2024 and of its performance for the financial year ended on that date.

In the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the director and is signed by:



I Munro
Director

12 August 2024

INDEPENDENT AUDITOR'S REPORT

To the Member of Queensland Lottery Corporation Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Lottery Corporation Pty Ltd (the company).

The financial report comprises the balance sheet as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the director's declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2024, and its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the director of the company, would be in the same terms if given to the director as at the time of this auditor's report.

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

Other information

Those charged with governance are responsible for the other information.

The other information comprises the director's report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the company's director for the financial report

The company's director is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company's director determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's director is also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My 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 my 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 this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

mluwinga

Martin Luwanga
as delegate of the Auditor-General

15 August 2024

Queensland Audit Office
Brisbane