QIC Limited

ACN 130 539 123

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AND DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

QIC LIMITED

We acknowledge and respect the traditional lands and cultures of First Nations peoples in Australia and globally and pay our respects to Elders past and present. We recognise First Nations peoples' long-standing and ongoing spiritual connections to land, sea, community and country.

The directors present their report on the consolidated entity (referred to hereafter as the 'group') consisting of QIC Limited and its subsidiaries at the end of, or during, the financial year ended 30 June 2024.

Directors

The following persons were directors of QIC Limited during the whole of the financial year and up to the date of this report unless stated otherwise:

Mr G Brunsdon (appointed 7 December 2023)
Mr J Battams
Ms G Brown (reappointed 1 October 2023)
Mr E Gonzalez (appointed 1 October 2023)
Ms J Hickey (appointed 7 December 2023)
Mr B Himbury
Mr R Jones
Ms S MacDonald
Ms J Perry
Ms S Desmarchelier (term ended 30 September 2023)
Mr P Gallagher (term ended 30 September 2023)
Mr I Martin AM (retired 31 March 2024)

Principal activities

During the financial year, the principal continuing activity of the group was providing investment management services.

Dividends

Dividends paid or declared by the group since the end of the previous financial year were:

	2024 $'000	2023 $'000
Dividends provided for and declared	**87,876**	68,173

Review of operations

The profit from ordinary activities, after related income tax expense, amounts to $87.9 million (2023: $88.2 million).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect, the group’s operations, the results of those operations, or the group’s state of affairs in future financial years.

Likely developments and expected results of operations

No likely developments have arisen since the end of the financial year ended 30 June 2024 that have significantly affected or are expected to significantly affect the group's operations in future financial years and the expected results of those operations.

Company secretary

Mr W Burton is the company secretary. Mr Burton is a solicitor of the Supreme Court of Queensland and the High Court of Australia.

Meetings of directors

The numbers of meetings of QIC Limited's board of directors and of each board committee held during the financial year ended 30 June 2024 and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees					
			Audit Committee		Risk Committee		People & Culture Committee	
	A	B	A	B	A	B	A	B
Mr G Brunsdon[(1)]	7	7	1	1	2	2	1	1
Mr J Battams	12	12	6	6	4	4	-	-
Ms G Brown	12	12	5	6	4	4	-	-
Mr E Gonzalez[(2)]	8	8	-	-	3	3	3	3
Ms J Hickey[(1)]	6	7	-	-	2	2	1	1
Mr B Himbury	10	12	-	-	4	4	4	4
Mr R Jones	12	12	6	6	4	4	-	-
Ms S MacDonald	12	12	-	-	4	4	4	4
Ms J Perry	11	12	6	6	3	4	-	-
Ms S Desmarchelier[(3)]	4	4	-	-	1	1	1	1
Mr P Gallagher[(3)]	3	4	2	3	1	1	1	1
Mr I Martin AM[(4)]	9	9	5	5	3	3	2	2

A = Number of meetings attended.

B = Number of meetings held during the time the director held office or was a member of the committee during the financial year

(1) = Appointed 7 December 2023

(2) = Appointed 1 October 2023

(3) = Term ended 30 September 2023

(4) = Retired 31 March 2024

Insurance of officers

During the financial year QIC Limited (the 'parent entity'), paid insurance premiums to insure the directors and officers of the group. Further disclosure of the details of the policy, including the nature of the liability covered or the premium paid, is prohibited by the terms of the contract.

Environmental regulation

The group’s operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia. The group’s operations are subject to the *National Greenhouse and Energy Reporting Act 2007* (Cth) (NGER Act) in Australia. The group reports on its sustainability-related activity in its annual QIC Sustainability Report, which is available on www.qic.com.au.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The group is of a kind referred to in ASIC Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission. In accordance with that Instrument, amounts in the Directors' report and consolidated financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

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

Mr G Brunsdon
Chairman

Brisbane
27 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of QIC Limited

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 QIC Limited 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.

This declaration is in respect of QIC Limited and the entities it controlled during the period.

26 August 2024

Rachel Vagg
Auditor-General

Queensland Audit Office
Brisbane

QIC Limited

ACN 130 539 123

Consolidated annual financial statements - 30 June 2024

Contents

Consolidated statement of profit or loss and other comprehensive income

	Notes	2024 $'000	2023 $'000
Revenue from contracts with customers	B1	**652,336**	633,852
Net income from financial assets at fair value through profit or loss	B2	**15,936**	19,269
Foreign exchange gains		**535**	-
Interest income from cash at bank and financial assets at amortised cost		**1,504**	1,059
Net gain from derivative financial instruments	C6	**-**	286
Net gain on disposal of property, plant and equipment and intangible assets		**-**	26
Total revenue and other income		**670,311**	654,492
Employee benefits expense	B3	**316,459**	306,006
Competitive neutrality fee	F3	**125,000**	125,000
Professional services		**30,348**	25,221
Technology		**18,599**	18,805
Depreciation and amortisation	C7, C8, C9	**16,666**	13,914
Travel		**7,387**	8,774
Information and research services		**7,446**	7,606
Staff development and recruitment		**5,251**	6,259
Insurance		**3,561**	3,839
Tenancy		**3,366**	3,706
Interest expense		**2,962**	1,674
Communications		**1,478**	1,438
Auditor's remuneration	G2	**661**	577
Foreign exchange losses		**-**	327
Net loss from derivative financial instruments	C6	**285**	-
Net loss on disposal of property, plant and equipment and intangible assets		**76**	-
Other expenses		**5,759**	4,220
Total expenses		**545,304**	527,366
Profit before income tax		**125,007**	127,126
Income tax expense	B4	**37,131**	38,953
Total profit after income tax for the financial year attributable to owners		**87,876**	88,173
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	A5	**(336)**	1,247
Other comprehensive income for the financial year, net of tax		**(336)**	1,247
Total comprehensive income for the financial year attributable to owners		**87,540**	89,420

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 11 to 59.

Consolidated statement of financial position

	Notes	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash at bank	C1	**5,217**	25,595
Financial assets at fair value through profit or loss	C4	**228,508**	205,321
Other financial assets at amortised cost	C5	**172,470**	159,786
Derivative financial instruments	C6	**939**	286
Net investment in sublease	C9	**320**	745
Current tax assets		**-**	147
Prepayments		**6,758**	4,837
Total current assets		**414,212**	396,717
Non-current assets			
Financial assets at fair value through profit or loss	C4	**179,297**	153,861
Other financial assets at amortised cost	C5	**-**	9,975
Property, plant and equipment	C7	**8,998**	11,226
Intangible assets	C8	**7,709**	8,710
Right-of-use assets	C9	**42,765**	24,593
Net investment in sublease	C9	**106**	430
Deferred tax assets	B4	**45,358**	43,290
Total non-current assets		**284,233**	252,085
Total assets		**698,445**	648,802
LIABILITIES			
Current liabilities			
Payables	C10	**71,069**	59,307
Employee benefits	D1	**124,681**	125,541
Current tax liabilities		**2,238**	-
Lease liabilities	C9	**7,715**	7,669
Refund liability	B1	**119**	228
Deferred revenue	B1	**13,453**	12,832
Borrowings	C12	**-**	25,367
Dividends payable	E2	**87,876**	68,173
Total current liabilities		**307,151**	299,117
Non-current liabilities			
Employee benefits	D1	**16,595**	17,397
Lease liabilities	C9	**41,765**	22,100
Deferred revenue	B1	**23,310**	18,351
Provisions	C11	**1,026**	1,606
Borrowings	C12	**18,703**	-
Total non-current liabilities		**101,399**	59,454
Total liabilities		**408,550**	358,571
Net assets		**289,895**	290,231
EQUITY			

The above consolidated statement of financial position should be read in conjunction with the accompanying notes on pages 11 to 59.

Consolidated statement of financial position

	Notes	**2024 $'000**	2023 $'000
Contributed equity	E1	**37,475**	37,475
Other reserves		**2,154**	2,490
Retained earnings		**250,266**	250,266
Equity and reserves attributable to owners of QIC Limited		**289,895**	290,231
Total equity		**289,895**	290,231

The above consolidated statement of financial position should be read in conjunction with the accompanying notes on pages 11 to 59.

Consolidated statement of changes in equity

		Attributable to owners of QIC Limited			
	Notes	**Contributed equity $'000**	**Other reserves $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance at 1 July 2022		37,475	1,243	230,266	268,984
Profit after income tax		-	-	88,173	88,173
Other comprehensive loss		-	1,247	-	1,247
Total comprehensive income for the financial year		**-**	**1,247**	**88,173**	**89,420**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	E2	-	-	(68,173)	(68,173)
Balance at 30 June 2023		**37,475**	**2,490**	**250,266**	**290,231**
Balance at 1 July 2023		37,475	2,490	250,266	290,231
Profit after income tax		-	-	87,876	87,876
Other comprehensive income		-	(336)	-	(336)
Total comprehensive income for the financial year		**-**	**(336)**	**87,876**	**87,540**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	E2	-	-	(87,876)	(87,876)
Balance at 30 June 2024		**37,475**	**2,154**	**250,266**	**289,895**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes on pages 11 to 59.

Consolidated statement of cash flows

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		**823,659**	768,508
Payments to suppliers and employees		**(696,429)**	(648,046)
Net realised income from financial assets at fair value through profit or loss		**2,981**	2,179
Income taxes paid		**(36,814)**	(49,044)
Net cash provided by operating activities	C2	**93,397**	73,597
Cash flows from investing activities			
Proceeds from sale of financial assets at fair value through profit or loss		**55,038**	232
Payments for financial assets at fair value through profit or loss		**(60,125)**	(42,823)
Proceeds from sale of other financial assets at amortised cost		**9,311**	2,173
Payments for other financial assets at amortised cost		**(100)**	(233)
Net realised income received from financial assets at fair value through profit or loss		**6,251**	1,950
Interest received		**1,520**	1,021
Interest paid		**(2,962)**	(1,674)
Net realised loss from derivative financial instruments		**(939)**	-
Proceeds from net investment in sublease		**748**	893
Proceeds from sale of property, plant and equipment		**20**	26
Lease fitout reimbursement		**639**	-
Payments for property, plant and equipment and intangible assets		**(2,336)**	(5,642)
Net cash provided by/ (used in) investing activities		**7,065**	(44,077)
Cash flows from financing activities			
Repayment of borrowings	C3	**(6,375)**	-
Principal elements of lease payments	C3	**(10,243)**	(7,979)
Dividends paid to shareholders	E2	**(68,173)**	-
Net cash used in financing activities		**(84,791)**	(7,979)
Net increase in cash and cash equivalents		**15,671**	21,541
Cash and cash equivalents at the beginning of the financial year		**183,558**	160,271
Effects of exchange rate changes on cash and cash equivalents		**78**	198
Net unrealised income from financial assets at fair value through profit or loss		**1,075**	1,548
Cash and cash equivalents at the end of the financial year	C1	**200,382**	183,558

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes on pages 11 to 59.

A BASIS OF PREPARATION

A1 Reporting entity

These financial statements are the consolidated financial statements for the group consisting of QIC Limited and its subsidiaries.

The financial statements are for the period from 1 July 2023 to 30 June 2024 ('the financial year'). The prior period is from 1 July 2022 to 30 June 2023 ('the prior year').

QIC Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

QIC Limited
Level 5
66 Eagle Street
Brisbane QLD 4000

QIC Limited is a for-profit entity and provides investment management services.

A2 Basis of accounting and measurement

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Corporations Act 2001,* and the Queensland *Government Owned Corporations Act 1993*. The consolidated financial statements of the group also comply with IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements have been prepared under the historical cost convention, except where otherwise stated.

The consolidated financial statements were authorised for issue by the directors on 27 August 2024. The directors have the power to amend and reissue the consolidated financial statements.

A3 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of QIC Limited and its subsidiaries as at 30 June 2024 and their results for the financial year then ended. QIC Limited and its subsidiaries together are referred to in this financial report as the 'group' or the 'consolidated entity' with QIC Limited referred to as the 'parent entity'.

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 relevant group. They are deconsolidated from the date that control ceases.

Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The financial information for the parent entity is disclosed in note F1 and subsidiaries in note F2.

A4 Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the group’s functional currency. All amounts have been rounded to the nearest thousand, unless indicated otherwise.

A BASIS OF PREPARATION (continued)

A5 Foreign currency translation

(i) Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the date of transaction using the exchange rate on that date. On reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. These foreign currency differences are recognised in the consolidated statement of profit or loss and other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency remain translated at the exchange rate at the date of the transaction.

(ii) Subsidiaries

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in the consolidated statement of profit or loss and other comprehensive income.

A6 Accounting estimates and judgements

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise 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 consolidated financial statements, are disclosed in the following notes:

Accounting estimates and judgements	Note
Revenue recognition	B1
Taxation	B4
Intangible assets	C8
Leases	C9
Employee benefits	D1

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

A7 Accounting standards and interpretations adopted by the group in the financial year

(i) Disclosure of Accounting Policies - Amendments to AASB 101 Presentation of Financial Statements ("AASB 101")

Amendments to AASB 101, effective for financial years starting on or after 1 January 2023, necessitates that only material accounting policy information should be disclosed in the financial statements. This means that even where a transaction is deemed quantitatively or qualitatively material, the accounting policy need only be disclosed where the policy itself is considered material. Accounting policy information is likely to be material if the information relates to material transactions (or other events or conditions) and one of the following apply:

- The entity chose the accounting policy from one or more options permitted under Australian Accounting Standards.
- The accounting policy was developed applying the hierarchy in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* ("AASB 108") because no specific Australian Accounting Standard is dealing with the transaction.

A BASIS OF PREPARATION (continued)

A7 Accounting standards and interpretations adopted by the group in the financial year (continued)

- The entity was required to make significant judgements or assumptions in applying the accounting policy, and these judgements or assumptions have been disclosed as required by AASB 101, paragraphs 122 or 125.
- The accounting is complex, and users would otherwise not understand the material transaction (for example, if more than one Australian Accounting Standard applies to the transaction).
- The entity changed its accounting policy during the period, resulting in a material change to information reported in the financial statements.

The accounting policies disclosed in the consolidated financial statements have been reviewed. While minor updates have been made in the consolidated financial statements in the financial year to ensure ongoing improvement in the quality of disclosures, there are no significant impacts to the consolidated financial statements due to this amendment in AASB 101.

(ii) Definition of Accounting Estimates – Amendments to AASB 108

Amendments to AASB 108, effective for financial years starting on or after 1 January 2023, introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the consolidated financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both:

- Selecting a measurement technique (estimation or valuation technique); and
- Choosing the inputs to be used when applying the chosen measurement technique.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The directors have reviewed the impact of these amendments on the financial statements and have assessed that there is no impact to the consolidated financial statements due to this amendment in AASB 108.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to AASB 112 Income Taxes ("AASB 112")

Amendments to AASB 112, effective for financial years starting on or after 1 January 2023, introduce additional exclusions to the initial recognition exemption detailed in paragraphs 15(b)(iii) and 24(c) of AASB 112 for deferred tax liabilities and assets respectively.

The effects of these amendments is that the initial recognition exemption is not available for transactions which involve the recognition of both an asset and liability - which in turn leads to equal and opposite temporary differences - such that deferred taxes are calculated and booked for both temporary differences, both at initial recognition and subsequently. That is, the entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

It has been assessed that there is no impact to the consolidated financial statements due to this amendment in AASB 112.

B PERFORMANCE FOR THE FINANCIAL YEAR

This section provides the information that is most relevant to understanding the financial performance of the group during the financial year and, where relevant, the accounting policies and the critical judgements and estimates made.

B1 Revenue from contracts with customers

The fees below are presented on a disaggregated basis by categories that depict the nature, timing and uncertainty of revenue affected by economic factors.

	2024 $'000	2023 $'000
Revenue from contracts with customers recognised over time		
Investment management fees	**494,384**	469,004
Property management fees	**103,232**	105,376
Investment performance fees	**37,621**	42,036
Product administration fees - related parties	**8,847**	7,958
Other revenue	**7,254**	9,478
Total revenue from contracts with customers recognised over time	**651,338**	633,852
Revenue from contracts with customers recognised at a point in time		
Investment advisory fees	**998**	-
Total revenue from contracts with customers recognised at a point in time	**998**	-
Total revenue from contracts with customers	**652,336**	633,852

<u>**Recognition and measurement**</u>

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and rebates.

Revenue is recognised on the following basis:

(i) Investment management, property management and investment performance fees

Investment management fees are fixed or have their variability resolved within the financial year. They are recognised over time during the financial year as the service is being delivered in line with client agreements, net of the amounts of goods and services tax payable.

Property management fees are recognised over time as the service is performed as set out in the relevant service level agreements, net of the amounts of goods and services tax payable.

Investment performance fees are subject to specific criteria being met over the performance period in compliance with individual client contracts. For certain client contracts, the performance period stretches over several years, resulting in the variability of performance fees not being resolved within the financial year.

Investment performance fees are recognised over time only to the extent it is highly probable that the estimated amount of performance fee revenue will not be significantly reversed in future financial years.

Some investment performance fees are also subject to clawbacks where performance of a product falls below benchmark performance over the clawback period. Where the investment performance fees are subject to clawback, this is factored into the probability assessment of performance fees being significantly reversed in future years.

B PERFORMANCE FOR THE FINANCIAL YEAR (continued)

B1 Revenue from contracts with customers (continued)

Recognition and measurement (continued)

(i) Investment management, property management and investment performance fees (continued)

At the end of the financial year, based on performance to date, uncertainty may exist as to whether the performance targets will be achieved over the performance periods. At this time, management assess the probability of any potential performance fees being significantly reversed in future financial years.

Where the achievement of performance criteria is probable but does not meet the revenue recognition requirements stated above, the estimated performance fee is not recognised, but is considered a contingent asset.

Where the estimated performance fee meets the revenue recognition requirements, but cash has not yet been received, a receivable is recognised. Where the estimated performance fee is invoiced and received prior to the achievement of the revenue recognition requirements, deferred revenue is recognised.

(ii) Product administration fees

Product administration fees are recognised over time on an accruals basis at agreed amounts, net of the amounts of goods and services tax payable.

(iii) Other revenue

Other revenue includes break fee revenue, consulting fee revenue and product related cost recoveries that are presented net of the costs recovered.

(iv) Investment advisory fees

Investment advisory fees consist of fee-for-service revenue earned providing customers with advisory type services on individual transactions. Revenues on these services are recognised at the point in time when the service is provided.

(v) Offsetting

Revenue and expenses are offset in the consolidated financial statements of the group where offsetting the transactions accurately reflects the substance of the transaction and where not offsetting would detract from the ability of users to clearly understand the nature of the transaction and operations of the group. The group has offset revenue and expenses in relation to product and client related costs of $98.3 million (2023: $73.0 million) where the group acts as agent.

Key estimates and judgements

In recognising investment performance fee revenue, property management fees and break fee revenue, significant management judgement and estimation is required in determining the amount and timing of revenue recognition.

(i) Investment performance fees – contingent asset

Management's assessment of the probability of performance criteria being met is influenced by several factors over which the group has limited control, including the underlying performance of international markets, movements in interest rates and other risk factors.

At 30 June 2024 management have assessed the achievement of performance criteria for certain client agreements as being probable but not highly probable. However, due to the high degree of uncertainty remaining, it is not practicable to estimate the financial effect of the contingent asset for these agreements.

B PERFORMANCE FOR THE FINANCIAL YEAR (continued)

B1 Revenue from contracts with customers (continued)

Recognition and measurement (continued)

Key estimates and judgements (continued)

(ii) Investment performance fees - deferred revenue

In assessing the probability of investment performance fees being subject to clawback, management considers several factors including changes in external market conditions, client agreements, movements in interest rates and other risk factors. Each mandate subject to a clawback has been assessed under a consistent methodology with inputs relative to the individual clients. A statistical analysis of the changes in performance fees over time for particular asset classes has been undertaken, resulting in a reasonable data set to estimate the likelihood of negative out-performance and amount of the potential clawback. Other considerations include accumulated excess returns over the benchmark that would need to be reversed before a clawback is incurred.

At 30 June 2024, deferred revenue of $36.5 million (2023: $30.8 million) has been recognised in relation to investment performance fees.

Of the deferred revenue opening balance of $30.8 million at 1 July 2023, $11.6 million was recognised in investment performance fee revenue during the financial year. Due to the various factors that impact the recognition of the deferred revenue balance over the future financial years as detailed above, management is unable to reliably estimate when the group expects to recognise the 30 June 2024 deferred revenue balance of $36.5 million as revenue.

(iii) Other revenue - deferred revenue

In assessing the timing of the break fee revenue recognition, management considers several factors including changes in the divestment strategy and hold period of assets, equity and debt markets for retail investments. Significant judgement is used when estimating the future hold period of the assets. Estimates, judgements, and underlying assumptions are reviewed on an ongoing basis and on an individual asset level. Revisions to the estimates such as a change in the hold period of assets are recognised in the financial year in which the estimate is revised.

At 30 June 2024, deferred revenue of $0.3 million (2023: $0.3 million) has been recognised. Of this amount, $0.3 million (2023: $0.3 million) relates to investment management fees received in advance and $0.004 million (2023: $0.03 million) relates to the break fees received in the 2020-2021 financial year for the termination of existing service agreements.

In relation to the opening deferred revenue balance relating to break fees of $0.03 million at 1 July 2023, $0.03 million was recognised in break fee revenue during the financial year. Management expects the remaining deferred revenue balance of $0.004 million will be recognised as revenue in the next financial year.

(iv) Property management fees - refund liability

The group has specific management agreements that dictate several factors contributing to the quantum of property management fee revenue it is entitled to receive. The group invoices for property management fees as per contractual agreements, however due to the recognition of a provision for bad and doubtful debts relating to rent being recognised at the centres, some of this consideration may need to be refunded. As a result, the group has recognised a refund liability on property management fee revenue due to the expectation that this amount may be contractually obliged to be refunded to customers per the respective management agreements.

B PERFORMANCE FOR THE FINANCIAL YEAR (continued)

B1 Revenue from contracts with customers (continued)

Recognition and measurement (continued)

Key estimates and judgements (continued)

(iv) Property management fees - refund liability (continued)

At 30 June 2024, a refund liability of $0.1 million (2023: $0.2 million) has been recognised.

Of the deferred revenue opening balance of $0.2 million at 1 July 2023, $0.1 million was recognised in property management fee revenue during the financial year. Due to the various factors that impact the recognition of the deferred revenue balance over the future financial years as detailed above, management is unable to reliably estimate when the group expects to recognise the 30 June 2024 deferred revenue balance of $0.1 million as revenue.

B2 Net income from financial assets at fair value through profit or loss

	2024 $'000	2023 $'000
Net realised income	**10,794**	4,129
Net unrealised income	**5,142**	15,140
Total net income from financial assets at fair value through profit or loss	**15,936**	19,269

Recognition and measurement

Net realised income from financial instruments at fair value thought profit and loss ('FVTPL') represents the difference between the carrying amount of the financial instrument at the beginning of the financial year, or the transaction price if purchased in the financial year, and its settlement price, including any foreign currency effects.

Net realised income also includes interest income, dividend income and distribution income received from financial assets at FVTPL. Interest income is recognised as accrued, based on the contractual coupon interest rate. Dividend income and distribution income is recognised on the date the dividend and/or distribution is declared.

Net unrealised income represents the difference between the carrying amount of the financial instrument at the beginning of the financial year, or the transaction price if purchased in the financial year, and its carrying amount at the end of the financial year, including any foreign currency effects.

B3 Expenses

Profit before income tax includes the following specific expenses:	**2024 $'000**	2023 $'000
Employee benefits expense		
Salary and related costs	**295,165**	285,117
Provision for long service leave and annual leave	**18,348**	18,134
Other employee benefits expense	**2,946**	2,755
Total employee benefits expense	**316,459**	306,006

B PERFORMANCE FOR THE FINANCIAL YEAR (continued)

B4 Taxation

(i) Reconciliation of income tax expense

	2024 $'000	2023 $'000
Profit before income tax	**125,007**	127,126
Tax expense at the Australian tax rate of 30.0% (2023: 30.0%)	**37,502**	38,138
Non-deductible entertainment	**103**	88
Other permanent differences	**344**	(345)
Effect of tax rates in foreign jurisdictions	**2**	37
Adjustments for current tax of prior year	**(820)**	102
Decrease in deferred tax assets	**-**	933
Income tax expense	**37,131**	38,953
Current tax on profits for the financial year	**40,141**	32,808
Deferred tax	**(2,068)**	7,077
Adjustments for current tax of prior year	**(942)**	(932)
	37,131	38,953

(ii) Movement in deferred tax balances

2024 $'000	**Net balance at 1 July**	**Charged to profit or loss**	**Net balance at 30 June**	**Deferred tax assets**	**Deferred tax liabilities**
Employee benefits	**39,707**	**193**	**39,900**	**39,900**	**-**
Lease liabilities	**7,644**	**6,325**	**13,969**	**13,969**	**-**
Investment performance fees	**9,065**	**1,717**	**10,782**	**17,828**	**(7,046)**
Property, plant and equipment & intangible assets	**4,406**	**(737)**	**3,669**	**3,669**	**-**
Break fees and refund liability	**75**	**(38)**	**37**	**37**	**-**
Right-of-use assets	**(6,465)**	**(5,613)**	**(12,078)**	**-**	**(12,078)**
Financial assets at fair value through profit or loss	**(9,367)**	**(837)**	**(10,204)**	**-**	**(10,204)**
Other	**(1,775)**	**1,058**	**(717)**	**1,575**	**(2,292)**
Deferred tax assets/(liabilities) before set-off	**43,290**	**2,068**	**45,358**	**76,978**	**(31,620)**
Set-off of tax	**-**	**-**	**-**	**(31,620)**	**31,620**
Net deferred tax assets	**43,290**	**2,068**	**45,358**	**45,358**	**-**

B PERFORMANCE FOR THE FINANCIAL YEAR (continued)

B4 Taxation (continued)

(ii) Movement in deferred tax balances (continued)

2023 $'000	Net balance at 1 July	Charged to profit or loss	Net balance at 30 June	Deferred tax assets	Deferred tax liabilities
Employee benefits	40,809	(1,102)	39,707	39,707	-
Lease liabilities	9,182	(1,538)	7,644	7,644	-
Investment performance fees	8,371	694	9,065	15,771	(6,706)
Property, plant and equipment & intangible assets	3,463	943	4,406	4,406	-
Break fees and refund liability	814	(739)	75	75	-
Right-of-use assets	(7,986)	1,521	(6,465)	-	(6,465)
Financial assets at fair value through profit or loss	(4,140)	(5,227)	(9,367)	-	(9,367)
Other	(146)	(1,629)	(1,775)	719	(2,494)
Deferred tax assets/(liabilities) before set-off	**50,367**	**(7,077)**	**43,290**	**68,322**	**(25,032)**
Set-off of tax	-	-	-	(25,032)	25,032
Net deferred tax assets	**50,367**	**(7,077)**	**43,290**	**43,290**	**-**

Recognition and measurement

(i) Income tax

As a State body under the *Income Tax Assessment Act 1936*, QIC Limited and its wholly-owned Australian tax resident subsidiaries are exempt from Commonwealth income tax. However, pursuant to the Queensland *Government Owned Corporations Act 1993* and the National Tax Equivalents Regime, the group is required to make payments to the Queensland Government, equivalent to the amount of any Commonwealth income tax for which an exemption is received.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the financial year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax offsets, to the extent that it is probable that sufficient future taxable profits will be available to utilise them.

(ii) Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

(iii) Income tax consolidation

QIC Limited and its wholly-owned Australian tax resident subsidiaries have implemented the relevant requirements to form an income tax consolidated group.

Upon formation of an income tax consolidated group, the relevant entities entered into a tax sharing agreement which limits the joint and several liability of the subsidiaries in the case of a default by the parent entity, QIC Limited.

B PERFORMANCE FOR THE FINANCIAL YEAR (continued)

B4 Taxation (continued)

Recognition and measurement (continued)

(iii) Income tax consolidation (continued)

The entities within the Australian tax consolidated group have also entered into a tax funding agreement under which the subsidiaries fully compensate QIC Limited for any current tax payable assumed and are compensated by QIC Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to QIC Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the subsidiaries' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon payment by the parent entity of those liabilities, and subject to the parent entity providing to the subsidiaries satisfactory evidence of that payment. The subsidiaries shall pay to the parent entity that contribution amount and the parent entity shall pay to the relevant subsidiaries, amounts receivable by them under the funding arrangement.

(iv) Taxation of Financial Arrangements ('TOFA')

Compliance with the TOFA legislation is mandatory for the Australian tax consolidated group. The entities within the Australian tax consolidated group have, apart from the foreign exchange retranslation election in relation to qualifying foreign exchange accounts, accepted the default method of accruals or realisation and has not made the election regarding transitional financial arrangements or any other elective timing methods.

Key estimates and judgements

(i) Income taxes

The Australian tax consolidated group is subject to the National Tax Equivalents Regime in Australia and income taxes in other jurisdictions where it has foreign operations. Judgement is required in determining the tax related balances. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on management's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the financial year in which such determination is made.

(ii) Recovery of deferred tax assets

Deferred tax assets are only recognised for deductible temporary differences to the extent it is probable that sufficient future taxable profits will be available to utilise them. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profit.

C ASSETS AND LIABILITIES

This section provides information relating to the assets and liabilities of the group. It also provides information on the group's exposure to financial risks, how they affect the group's financial position and performance and how the risks are managed.

C1 Cash and cash equivalents

	2024 $'000	2023 $'000
Cash at bank	**5,217**	25,595

The figures below reconcile to the amount of cash and cash equivalents shown in the consolidated statement of cash flows at the end of the financial year as follows:

	Notes	2024 $'000	2023 $'000
Cash at bank		**5,217**	25,595
Investment - Liquid Markets	C4	**195,165**	157,963
Cash and cash equivalents per consolidated statement of cash flows		**200,382**	183,558

<u>Recognition and measurement</u>

(i) Cash and cash equivalents

For the purposes of these consolidated financial statements, cash and cash equivalents includes cash at bank and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances in relation to investments in the QIC Cash Enhanced Fund, QIC Short Term Income Fund and a US dollar denominated investment account. These investments are readily able to be converted to known amounts of cash on call and are highly liquid.

(ii) Fair value

The carrying amount for cash and cash equivalents equals the fair value. The weighted average interest rate for cash at bank was 4.25% (2023: 2.64%). The group's exposure to liquidity risk is discussed in note C15(c).

C ASSETS AND LIABILITIES (continued)

C2 Reconciliation of cash flows from operating activities

	2024 **$'000**	2023 $'000
Profit after income tax	**87,876**	88,173
Adjustments for:		
Interest received on other financial assets at amortised cost	**(1,504)**	(1,059)
Depreciation and amortisation	**16,666**	13,914
Net gain/(loss) on disposal of property, plant and equipment and intangible assets	**76**	(26)
Net realised income received from financial assets at fair value through profit or loss	**(7,814)**	(1,949)
Net unrealised income from financial assets at fair value through profit or loss	**(5,142)**	(15,140)
Net realised loss from derivative financial instruments	**939**	-
Net unrealised gain from derivative financial instruments	**(653)**	(286)
Interest paid on investing activities	**2,962**	1,674
Expenses relating to investing activities	**-**	18
Expenses relating to financing activities	**(289)**	1,351
Exchange differences on translation of foreign operations	**(336)**	1,247
Net unrealised income from other financial assets at amortised costs	**(71)**	(423)
Change in operating assets and liabilities:		
Net change in other financial assets at amortised cost	**(12,700)**	(5,571)
Net change in prepayments	**(1,921)**	747
Net change in current tax assets/liabilities	**2,385**	(17,168)
Net change in deferred tax assets	**(2,068)**	7,077
Net change in payables	**11,762**	918
Net change in employee benefits	**(1,662)**	974
Net change in provisions	**(580)**	347
Net change in refund liability	**(109)**	(255)
Net change in deferred revenue	**5,580**	(966)
Net cash provided by operating activities	**93,397**	73,597

C ASSETS AND LIABILITIES (continued)

C3 Changes in liabilities arising from financing activities

	Leases $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Opening balance at 1 July 2022	35,374	-	24,017	59,391
Principal elements of lease payments	(7,979)	-	-	(7,979)
New leases	335	-	-	335
Modification of lease liabilities	1,390	-	-	1,390
Foreign currency exchange differences in liability value	649	1,350	-	1,999
Reclassification	-	24,017	(24,017)	-
Closing balance at 30 June 2023	**29,769**	**25,367**	**-**	**55,136**
Opening balance at 1 July 2023	**29,769**	**25,367**	**-**	**55,136**
Repayment of borrowings	**-**	**-**	**(6,375)**	**(6,375)**
Principal elements of lease payments	**(10,243)**	**-**	**-**	**(10,243)**
New leases	**28,794**	**-**	**-**	**28,794**
Modification of lease liabilities	**1,227**	**-**	**-**	**1,227**
Foreign currency exchange differences in liability value	**(67)**	**-**	**(289)**	**(356)**
Reclassification	**-**	**(25,367)**	**25,367**	**-**
Closing balance at 30 June 2024	**49,480**	**-**	**18,703**	**68,183**

C4 Financial assets at fair value through profit or loss

Financial assets at FVTPL are all held for trading and include the following:

	2024 $'000	2023 $'000
Investment - Liquid Markets	**205,051**	158,848
Investment - Diversified	**20,000**	43,000
Investment - Private Equity	**3,457**	3,473
Total current financial assets at FVTPL	**228,508**	205,321
Investment - Infrastructure	**124,833**	120,593
Investment - Diversified	**30,379**	30,950
Investment - Private Debt	**19,382**	-
Investment - Private Equity	**4,171**	1,775
Investment - Other FVTPL	**532**	543
Total non-current financial assets at FVTPL	**179,297**	153,861

The group's financial assets at FVTPL are classified by the nature of the underlying investment.

Changes in the fair value of financial assets at FVTPL are due to market changes, with the changes in fair value recorded in the consolidated statement of profit or loss and other comprehensive income.

Current financial assets at FVTPL at 30 June 2024 include an investment holding in Investments - Liquid Markets of $9.9 million (2023: nil) held on behalf of a QIC managed entity, which are restricted for use under the terms of the agreement.

C ASSETS AND LIABILITIES (continued)

C4 Financial assets at fair value through profit or loss (continued)

The group has the following investment commitments that are still to be funded as at 30 June 2024:

Investment	Amount $'000
QIC Global Infrastructure Fund II	11,644
QIC Infrastructure Debt Fund II	3,246
PEF Co-Invest SCSp	2,878
Golden Reef Infrastructure Trust	1,049
QIC Direct Opportunities Fund	314
SVA Diversified Impact Fund	210
Total investment commitments	**19,341**

Classification, recognition and measurement

A financial asset is classified in this category if it's held within a business model that acquires financial assets principally for the purpose of selling in the short-term, if it is managed on a fair value basis in accordance with the group's investment strategy, or if it is an equity investment.

Assets in this category are classified as current assets if they are either investments in cash equivalents or are expected to be realised within 12 months of the reporting date, otherwise they are classified as non-current.

The group's holding in financial assets at FVTPL includes holdings in products managed by the group and unlisted debt investments.

For investments in products managed by the group, the fair value of these holdings is based on the unit price of the relevant trust at the reporting date. The unit price is derived based on unobservable market data for underlying investments held by the trust. For investments in unlisted debt investments, the best estimate for the fair value of these holdings is assessed to be cost. Accordingly, the group and parent entity classify financial assets at FVTPL as level 2 and level 3 (see note C15(d)(i)) within the fair value hierarchy.

C5 Other financial assets at amortised cost

	2024 $'000	2023 $'000
Investment management, property management and investment performance fees receivable	**172,470**	159,786
Total current other financial assets at amortised cost	**172,470**	159,786
Loan receivable	**-**	835
Monies held in escrow	**-**	9,140
Total non-current other financial assets at amortised cost	**-**	9,975

Recognition and measurement

(i) Investment management, property management and investment performance fees receivable

Receivables arise when the group provides investment management, property management and investment performance fees directly to clients in exchange for cash consideration. These receivables are held to collect and have been assessed to contain solely payments of principal and interest under AASB 9 *Financial Instruments* ('AASB 9'). They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Due to the short-term nature of these financial rights, their carrying amounts are estimated to represent their fair values.

C ASSETS AND LIABILITIES (continued)

C5 Other financial assets at amortised cost (continued)

(ii) Monies held in escrow

Funds were held in an escrow account during the prior year to fund capital calls in relation to a joint venture with a client. This money is no longer restricted for use under the updated terms of the agreement.

(iii) Impairment of receivables

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off. A provision for impairment of receivables is established using the simplified approach under AASB 9 when there is historical evidence or supportable forward looking information that the group will not be able to collect all amounts due according to the original terms of receivables. There were no impairment amounts at 30 June 2024 (2023: $nil).

As at 30 June 2024, receivables of $13.4 million (2023: $9.0 million) were past due but not impaired. These relate to a number of independent customers for whom there is no history of credit default. The ageing analysis of receivables is as follows:

		Days overdue			
	Within trading terms $'000	**1-30 $'000**	**30-60 $'000**	**Over 60 $'000**	**Total $'000**
At 30 June 2024	159,056	3,396	2,862	7,156	172,470
At 30 June 2023	150,818	2,276	3,893	2,799	159,786

C6 Derivative financial instruments

The group has the following derivative financial instruments:

	2024 $'000	2023 $'000
Foreign currency forwards	**939**	286
Total derivative financial instrument assets	**939**	286

<u>**Classification, recognition and measurement**</u>

The group's derivatives comprise of foreign currency forward contracts. Derivatives are used to manage the foreign currency risk associated with holding investments denominated in foreign currencies.

Derivatives are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Derivatives are recognised on the date the group becomes party to the contractual agreement (trade date). Transaction costs on derivative financial instruments and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, derivatives are measured at fair value with changes in their fair value recorded in the consolidated statement of profit or loss and other comprehensive income.

Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting date, otherwise they are classified as non-current.

Derivative financial instrument assets are derecognised where:

- the contractual rights to the cash flow from the asset have expired; or
- the rights attached to the asset has been transferred and either the group:
    - has transferred substantially all the risks and rewards of the asset; or

C ASSETS AND LIABILITIES (continued)

C6 Derivative financial instruments (continued)

Classification, recognition and measurement (continued)

- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Derivative financial instrument liabilities are derecognised when its contractual obligations are discharged or cancelled, or expire.

Information about the group's exposure to credit and market risks, and fair value measurement, is included in note C15.

(i) Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Net unrealised gain	**653**	286
Net realised loss	**(938)**	-
Total net gain/(loss) from derivative financial instruments	**(285)**	286

Recognition and measurement

Net unrealised gain from derivative financial instruments represents the difference between the carrying amount of the derivative financial instrument at the beginning of the financial year, or the transaction price if purchased in the financial year, and its carrying amount at the end of the financial year.

Net realised gain/(loss) from derivative financial instruments represents the difference between the carrying amount of the derivative financial instrument at the beginning of the financial year, or the transaction price if purchased in the financial year, and its settlement price.

C7 Property, plant and equipment

2023	Office equipment, furniture and fittings $'000	Computer equipment $'000	Assets in the course of construction $'000	Total $'000
Opening net book amount at 1 July 2022	8,549	2,429	18	10,996
Additions	3,984	153	-	4,137
Depreciation expense	(2,703)	(1,194)	-	(3,897)
Disposals at net book amount	(10)	(32)	-	(42)
Reclassifications at net book amount[(1)]	18	-	(18)	-
Net foreign currency exchange differences in net book amount	26	6	-	32
Closing net book amount at 30 June 2023	**9,864**	**1,362**	**-**	**11,226**
Cost	34,199	6,580	-	40,779
Accumulated depreciation	(21,066)	(5,204)	-	(26,270)
Accumulated impairment	(3,269)	(14)	-	(3,283)
Net book amount at 30 June 2023	**9,864**	**1,362**	**-**	**11,226**

C ASSETS AND LIABILITIES (continued)

C7 Property, plant and equipment (continued)

2024	Office equipment, furniture and fittings $'000	Computer equipment $'000	Assets in the course of construction $'000	Total $'000
Opening net book amount at 1 July 2023	9,864	1,362	-	11,226
Additions	1,580	187	-	1,767
Depreciation expense	(3,254)	(637)	-	(3,891)
Disposals at net book amount	(84)	(12)	-	(96)
Net foreign currency exchange differences in net book amount	(8)	-	-	(8)
Closing net book amount at 30 June 2024	8,098	900	-	8,998
Cost	29,747	5,658	-	35,405
Accumulated depreciation	(19,779)	(4,746)	-	(24,525)
Accumulated impairment	(1,870)	(12)	-	(1,882)
Net book amount at 30 June 2024	8,098	900	-	8,998

(1) Refers to the reclassification of assets in the course of construction from work in progress to property, plant and equipment.

Recognition and measurement

Property plant and equipment are initially recognised at cost, being the fair value of the assets provided as consideration at the date of acquisition plus costs directly attributable to the acquisition. The carrying amount of an asset is measured as the cost of the asset minus accumulated depreciation and accumulated impairment, if any.

Items of property, plant and equipment with a cost equal to or greater than of $5,000 are capitalised when it is probable that future economic benefits associated with the item will flow to the group. Items of lesser value are expensed at the time of purchase.

Property plant and equipment are reviewed 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 amounts exceeds its recoverable amount and the asset's carrying amount is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each financial year.

All items of property, plant and equipment have limited useful lives and are depreciated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed.

The estimated useful lives used to calculate the depreciation rate for each class of asset are as follows:

Computer equipment	2 - 8 years
Office equipment, furniture and fittings	3 - 15 years

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

C ASSETS AND LIABILITIES (continued)

C8 Intangible assets

2023	Computer software $'000	Assets in the course of construction $'000	Total $'000
Opening net book amount at 1 July 2022	8,052	1,834	9,886
Additions	4	1,501	1,505
Amortisation charge	(2,681)	-	(2,681)
Reclassifications at net book amount[(1)]	3,335	(3,335)	-
Closing net book amount at 30 June 2023	**8,710**	**-**	**8,710**
Cost	15,994	-	15,994
Accumulated amortisation	(7,284)	-	(7,284)
Net book amount at 30 June 2023	**8,710**	**-**	**8,710**

2024	Computer software $'000	Assets in the course of construction $'000	Total $'000
Opening net book amount at 1 July 2023	**8,710**	**-**	**8,710**
Additions	**-**	**569**	**569**
Amortisation charge	**(1,570)**	**-**	**(1,570)**
Reclassifications at net book amount[(1)]	**-**	**-**	**-**
Closing net book amount at 30 June 2024	**7,140**	**569**	**7,709**
Cost	**15,952**	**569**	**16,521**
Accumulated amortisation	**(8,812)**	**-**	**(8,812)**
Net book amount at 30 June 2024	**7,140**	**569**	**7,709**

[(1)] Refers to the reclassification of software from work in progress to intangible assets.

Recognition and measurement

(i) Intangible assets

Computer software of the group comprise purchased software, internally developed software and cloud software arrangements that meet the definition of an intangible asset under AASB 138 *Intangible Assets*. Purchased software with a historical cost equal to or greater than $5,000 are recognised in the consolidated financial statements when it is probable that future economic benefits associated with the item will flow to the group. Items of a lesser value are expensed at the time of purchase. Software maintenance costs are expensed as incurred.

Internal and external costs directly incurred in the purchase and development of computer software, including subsequent upgrades and enhancements, are capitalised where the costs meet the definition of intangible asset under AASB 138 *Intangible Assets* and exceed $100,000. Costs incurred in planning or evaluating computer software proposals are not capitalised.

The carrying value of a computer software asset is measured as the cost of the asset minus accumulated amortisation and accumulated impairment, if any.

The estimated useful lives used to calculate the amortisation rate for computer software are 3 - 15 years.

C ASSETS AND LIABILITIES (continued)

C8 Intangible assets (continued)

Recognition and measurement (continued)

(ii) Cloud software arrangements

Cloud software arrangements are service contracts providing the group with the right to access the cloud service provider's application software over the contract period. Therefore, access fees paid to the service provider in relation to cloud software arrangements are expensed as incurred.

Internal and external costs directly incurred in the implementation of cloud software arrangements are expensed as incurred, except where:

- the cloud software arrangement itself meets the definition of an intangible asset; or
- costs are incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset.

These costs are recognised as intangible software assets and accounted for in line with the group's intangible asset accounting policy.

External costs directly incurred in the configuration and customisation of cloud software arrangements where the configuration and customisation service is provided by the service provider (or their agent) and it is not distinct from access provided to the underlying cloud software, are treated as a prepayment and expensed over the service contract term.

(iii) Impairment of intangible assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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, intangible 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). Intangible assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each financial year.

An impairment loss is recognised for the amount by which the asset's carrying amounts exceeds its recoverable amount and the asset's carrying amount is written down immediately to its recoverable amount.

Key estimates and judgements

(i) Determination whether configuration and customisation services are distinct from the cloud software access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received. Where the cloud software arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the cloud application software.

Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the cloud software contract term. Non-distinct customisation activities significantly enhance or modify a cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the cloud-based application is significant or not.

C ASSETS AND LIABILITIES (continued)

C8 Intangible assets (continued)

Recognition and measurement (continued)

Key estimates and judgements (continued)

(ii) Capitalisation of configuration and customisation costs in cloud software arrangements

Certain cloud software arrangements meet the definition of an intangible asset. Customisation and configuration costs related to these cloud arrangements are capitalised as incurred. In addition, in implementing cloud software arrangements, the group has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the cloud-based application. Judgement has been applied in determining whether the cloud software arrangement or the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

C9 Leases

Right-of-use assets

Buildings	2024 $'000	2023 $'000
Opening balance	**24,593**	29,894
Additions	**28,155**	1,725
Lease modification	**1,227**	-
Depreciation expense	**(11,205)**	(7,336)
Foreign currency exchange differences in asset value	**(5)**	310
Closing balance	**42,765**	24,593

Lease liabilities

	2024 $'000	2023 $'000
Current	**7,715**	7,669
Non-current	**41,765**	22,100
Total lease liabilities	**49,480**	29,769

Recognition and measurement

(i) Accounting treatment of leasing activities

The group leases various offices, typically for fixed periods of between three to ten years, but may have extension options as described in the note below.

Contracts may contain both lease and non-lease components. 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 lease liability at the date at which the leased asset is available for use by the group.

C ASSETS AND LIABILITIES (continued)

C9 Leases (continued)

Recognition and measurement (continued)

(i) Accounting treatment of leasing activities (continued)

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, 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 group's incremental borrowing rate, 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.

Lease payments are allocated between principal and interest expense. The interest expense is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each financial year.

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.

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 the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

(ii) 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 include the following amounts relating to leases:

	2024 $'000	2023 $'000
Depreciation charge on right-of-use assets	**11,205**	7,336
Interest expense on lease liabilities and investment in sublease	**1,186**	522
Expenses relating to short-term leases[1]	**50**	225
Total cash outflow for leases	**(12,703)**	(9,799)

[1] Disclosed in Tenancy expenses within the consolidated statement of profit or loss and other comprehensive income.

(iii) Leases as Lessor

The group has sublet leased office space. At 30 June 2024, the total of future minimum sublease payments expected to be received under non-cancellable subleases is $0.5 million (USD $0.3 million) (2023: $1.2 million; USD $0.8 million). The subleases are assessed to be a finance lease.

C ASSETS AND LIABILITIES (continued)

C9 Leases (continued)

Recognition and measurement (continued)

(iii) Leases as Lessor (continued)

Maturity analysis

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the group's finance leases.

	2024 $'000	2023 $'000
Less than 1 year	**318**	782
1 to 2 years	**132**	320
2 to 3 years	**-**	133
4 to 5 years	**-**	-
More than 5 years	**-**	-
Total	**450**	1,235

Key estimates and judgements

(i) Extension and termination options

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options in office leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the financial year, the financial effect of revising lease terms and termination options was an increase in recognised lease liabilities and right-of-use assets of $1.2 million (2023: $1.4 million).

C10 Payables

	2024 $'000	2023 $'000
Accrued expenses	**62,764**	46,425
Accounts payable	**8,305**	12,882
Total payables	**71,069**	59,307

C ASSETS AND LIABILITIES (continued)

C10 Payables (continued)

Recognition and measurement

(i) Payables

Payables are recognised when the group becomes obliged to make future payments resulting from the purchase of goods and services.

Payables are initially measured at fair value which is reflected by the transaction price, and subsequently measured at amortised cost.

The group derecognises a payable when it is paid or the obligation is extinguished.

(ii) Fair value

Due to the short term nature of these financial obligations, their carrying amounts are estimated to represent their fair values.

C11 Provisions

	2024			2023		
	Current $'000	**Non-current $'000**	**Total $'000**	Current $'000	Non-current $'000	Total $'000
Make good provision	**-**	**1,026**	**1,026**	-	1,606	1,606

Recognition and measurement

Provisions are recorded when the group has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

(i) Make good provision

The group has recognised a provision in relation to the costs required to restore the leased premises of its office leases to their original condition at the end of the respective lease terms.

(ii) Movements in provisions

Movements in each class of provision during the financial year are set out below:

2024	**Make good provision $'000**
Opening balance at 1 July 2023	**1,606**
Charged to consolidated statement of profit or loss and other comprehensive income	**(580)**
Closing balance at 30 June 2024	**1,026**

C ASSETS AND LIABILITIES (continued)

C12 Borrowings

	2024 $'000	2023 $'000
Borrowings	-	25,367
Total current borrowings	**-**	25,367

	2024 $'000	2023 $'000
Borrowings	**18,703**	-
Total non-current borrowings	**18,703**	-

(i) Borrowings

QIC Limited has a debt facility with a limit of $50.0 million. The debt facility agreement was amended during the year to extend the facility termination date from 30 June 2024 to 31 August 2026.

(ii) Compliance with loan covenants

QIC Limited has complied with the financial covenants of its borrowing facilities during the financial year.

Recognition and measurement

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

The fair value of borrowings subsequently measured at amortised cost is set out in note C15(d)(iii).

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are split between current and non-current liabilities based on the portion of borrowings that is due to be settled within 12 months after the financial year.

C13 Contingent liabilities

Contingent liabilities for which no provisions are included in these consolidated financial statements are as follows:

(i) QIC entities obligations

(i)(a) Trustee obligations

As at 30 June 2024, QIC Limited or its subsidiaries were trustee of 205 trusts (the 'Trusts').

The trustees are potentially liable for liabilities of the respective Trusts. However, under the Trust Deeds, each trustee is entitled to be indemnified out of the assets of the Trusts against any losses or outgoings sustained in its role as trustee, provided the trustee has acted within the terms of the Trust Deed. As at 30 June 2024, total assets exceed total liabilities in the majority of the Trusts.

In addition, the parent entity operates discrete portfolios on behalf of particular clients. The investments comprising each portfolio are owned by each particular client. In accordance with client agreements governing discrete portfolios, clients are obligated to provide funds to the parent entity to cover any losses or outgoings sustained in operating their particular portfolio(s).

C ASSETS AND LIABILITIES (continued)

C13 Contingent liabilities (continued)

(i) QIC entities obligations (continued)

Funds managed by the group in a trustee capacity totalled $111.7 billion at 30 June 2024 (2023: $102.8 billion). These figures exclude cross holdings between trusts.

(i)(b) General partners obligations

Certain overseas QIC entities act as general partners of funds established in foreign jurisdictions. The general partners are liable (on an unlimited basis) for the partnerships' debts, liabilities and obligations to the extent they exceed the total assets of the limited partners in respect of the respective partnerships. As at 30 June 2024, total assets exceed total liabilities in the relevant partnerships.

(ii) Subsidiary undertakings

In relation to QIC US Management, Inc's lease at Fifth Third Building, 600 Superior Avenue East, Cleveland, Ohio, United States, QIC Limited provided a guarantee for the payment of rent and all other amounts required to be paid under the lease for a period of 68 months from the commencement of the lease. The amount guaranteed as 30 June 2023 was US$0.2 million. This guarantee expired in November 2023.

QIC Limited also provides a guarantee and indemnity in respect of the compliance by its subsidiary entity, QICP Pty Ltd, of its obligations (including each obligation to pay money) under a management agreement, leasing agreement and development management agreement in place between QICP Pty Ltd (as manager) and the owners of 2 Victorian shopping centres (being a QIC trust and an unrelated third-party owner).

(iii) Bank guarantee

In relation to QIC Limited's lease at Level 11, South Tower, 80 Collins Street, Melbourne, Victoria, Australia, QIC Limited has provided a bank guarantee for the sum of $0.6 million to the landlord. The bank guarantee will expire in January 2028.

In relation to QIC US Investment Services Inc.'s lease at 36th Floor, 12 East 49th Street, New York, New York, United States, QIC Limited has provided a bank guarantee for the sum of US$0.4 million to the landlord. The bank guarantee will expire in June 2028.

In relation to QIC US Management, Inc's lease at Suite 2640, Four Embarcadero Center, San Francisco, California, United States, QIC Limited has provided a bank guarantee for the sum of US$0.04 million to the landlord. The bank guarantee will expire in April 2027.

(iv) Litigation

Litigation is in progress involving the parent entity and some of its subsidiaries, in their capacity as trustee or manager, in relation to disputes pertaining to property management activities. The parent entity and its subsidiaries are pursuing and/or defending the actions. At reporting date, it is not possible to reliably estimate the financial effects, if any.

C14 Commitments

(i) Capital commitments

Significant capital expenditure contracted for at the end of the financial year but not recognised in the consolidated statement of financial position of the group are as follows:

	2024 $'000	2023 $'000
Property, plant and equipment	**16**	-
Intangible assets	**660**	-
Total capital commitments	**676**	-

C ASSETS AND LIABILITIES (continued)

C14 Commitments (continued)

(ii) Investment commitments

Refer to note C4 for investment commitments that are still to be funded.

C15 Financial risk management

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's financial risk management activities focus on minimising potential adverse effects of financial risks on the financial performance of the group.

The group uses different methods to measure the different types of financial risk to which it is exposed. For the purposes of consolidated financial statements disclosures, these methods include sensitivity analysis in the case of foreign exchange and price risks and ageing analysis for credit and liquidity risks.

The responsibility for operational risk management resides with each of the business units within the group and is supported by a central compliance and risk management group, which ensures consistency and oversight in line with policies approved by the board of directors.

(a) Market risk

Market risk is the risk of loss arising from movements in market variables, including observable variables such as interest rates, exchange rates and equity markets, and indirectly observable variables such as volatilities and correlations. Market risk for the group primarily arises from foreign exchange risk in relation to foreign currency transactions and balances, price risk in relation to investments in unlisted unit trusts and unlisted limited partnerships held by the group, and interest rate risk in relation to borrowings.

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the group's functional currency. The risk is measured using sensitivity analysis.

Losses in value may result from translating the group's capital invested in overseas operations into Australian dollars at reporting date (translation risk) or from adverse foreign currency exchange rate movements on specific cash transactions (transaction risk). The group does not hedge the capital invested in overseas operations, thereby accepting the foreign currency translation risk on invested capital.

Sensitivity

	Impact on post-tax profit	
	2024	2023
	$'000	$'000
AUD/USD increase 10% (2023: 10%)	**4,555**	3,543
AUD/USD decrease 10% (2023: 10%)	**(4,217)**	(3,885)
AUD/EUR increase 10% (2023: 10%)	**510**	352
AUD/EUR decrease 10% (2023: 10%)	**(562)**	(430)

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency forward contracts, US dollar and Euro denominated borrowings and foreign currency denominated bank accounts. Profit is more sensitive to movements in the Australian dollar/US dollar exchange rates in the current financial year than the prior year due to the increased amount of foreign currency forwards. The group's exposure to other foreign currency exchange movements is not material.

C ASSETS AND LIABILITIES (continued)

C15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

Exposure

The group is exposed to price risk. This arises from investments in unlisted unit trusts and unlisted limited partnerships held by the group and classified in the consolidated statement of financial position as financial assets at FVTPL. The group is not exposed to any other price risk. Price risk incorporates market risk, interest rate risk and foreign exchange risk in respect of investments in unlisted unit trusts and unlisted limited partnerships. Investments in unlisted unit trusts and unlisted limited partnerships are recorded at redemption value per unit as reported by the manager of the trust and general partner of the partnership.

The market risk of an investment holding comprises the risk that the unit price of the trust will change during the next financial year (price risk). The change in unit price is determined by dividing the hypothetical change in the Net Asset Value ('NAV') of the trust by the number of units on issue at reporting date. The hypothetical change in the NAV was determined by undertaking a sensitivity analysis for the key types of market risk that apply to the investments of that trust and aggregating the results of the analysis.

Sensitivity

The table below summarises the potential impact of increases/(decreases) in unit prices on the group's profit after income tax for the financial year.

	Impact on profit after income tax	
	2024	2023
	$'000	$'000
Investment - Infrastructure - increase 10% (2023: 12%)	**8,734**	14,911
Investment - Infrastructure - decrease 10% (2023: 12%)	**(8,734)**	(14,545)
Investment - Diversified - increase 10% (2023: 8%)	**3,527**	5,916
Investment - Diversified - decrease 10% (2023: 9%)	**(3,527)**	(6,656)
Investment - Private Debt - increase 10% (2023: nil)	**1,357**	-
Investment - Private Debt - decrease10% (2023: nil)	**(1,357)**	-
Investment - Private Equity - increase 10% (2023: 21%)	**534**	1,094
Investment - Private Equity - decrease 10% (2023: 19%)	**(534)**	(990)
Investment - Liquid Markets - increase 0.25% (2023: 0.2%)	**331**	201
Investment - Liquid Markets - decrease 0.25% (2023: 0.2%)	**(331)**	(201)

The impact on the group’s profit from increases/(decreases) in unit prices for the group’s remaining financial assets at FVTPL are deemed immaterial.

(iii) Interest rate risk

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. Interest rate risk is managed in accordance with the group's Corporate Treasury Risk Management Standard. During the financial year, the group's borrowings at variable rates were denominated in United States dollar and Euro.

Sensitivity

The sensitivity of the group's long-term borrowings at 30 June 2024 to movements in interest rates with all other variables held constant has been assessed and is not material.

C ASSETS AND LIABILITIES (continued)

C15 Financial risk management (continued)

(b) Credit risk

(i) Risk management

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and credit exposures to institutional investment clients, including outstanding receivables. Deposits with banks are held only with independently rated parties.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date for the group is $586.9 million (2023: $556.0 million).

The group seeks to limit its exposure to credit risk in terms of outstanding receivables, by dealing with reputable wholesale investment clients and by ensuring that a high percentage of clients pay their management fees via unit redemption on a monthly basis within an agreed timeframe. Where the group has a significant concentration of credit risk, this is only in relation to clients that are part of the Queensland Government.

(ii) Guarantees

Credit risk further arises in relation to guarantees given to certain parties (refer to note C13). Such guarantees are provided in limited circumstances.

(c) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its cash outflows obligations as they fall due because of lack of liquid assets.

The group invests its working capital in the QIC Cash Enhanced Fund, QIC Short Term Income Fund, QIC Long Term Diversified Fund and a US dollar denominated investment account, which are highly liquid. The group regularly reviews its liquidity, having regard to expected future cash flow obligations.

(i) Maturities of financial liabilities

The table below analyses the group's financial liabilities based on the remaining period to the contractual maturity date at the reporting date.

The amounts disclosed in the table are the contractual undiscounted cash flows. For financial liabilities due within 12 months, the carrying amount is a reasonable approximation of fair value.

2024	0 - 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000
Payables	8,305	-	-	-	8,305
Borrowings	-	-	18,703	-	18,703
Lease liabilities[(1)]	9,867	9,806	32,608	127,457	179,738
Total	18,172	9,806	51,311	127,457	206,746

C ASSETS AND LIABILITIES (continued)

C15 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of financial liabilities (continued)

	0-12 months $'000	Between 1 and 2 Years $'000	Between 2 and 5 Years $'000	Over 5 years $'000	Total contractual cash flows $'000
2023					
Payables	12,882	-	-	-	12,882
Borrowings	25,367	-	-	-	25,367
Lease liabilities[1]	10,008	9,339	31,401	72,754	123,502
Total	48,257	9,339	31,401	72,754	161,751

[1] The group has certain leases that it has executed, but does not yet control the underlying assets. Therefore, lease liabilities and right-of-use assets were not recorded for these leases in the group's consolidated statement of financial position at 30 June 2024 and 30 June 2023. These future commitments relate to new office leases.

(d) Fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the levels prescribed under the Australian Accounting Standards. An explanation of each level follows underneath the table.

Fair value measurements At 30 June 2023	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at FVTPL					
Unlisted unit trusts	C4	-	158,847	156,312	315,159
Unlisted limited partnerships	C4	-	-	43,528	43,528
Unlisted debt investments	C4	-	-	495	495
Derivatives - foreign currency forwards	C6	-	286	-	286
Total financial assets at FVTPL		-	159,133	200,335	359,468

Fair value measurements At 30 June 2024	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at FVTPL					
Unlisted unit trusts	C4	**-**	**205,051**	**132,738**	**337,789**
Unlisted limited partnerships	C4	**-**	**-**	**69,521**	**69,521**
Unlisted debt investments	C4	**-**	**-**	**495**	**495**
Derivatives - foreign currency forwards	C6	**-**	**939**	**-**	**939**
Total financial assets at FVTPL		**-**	**205,990**	**202,754**	**408,744**

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the financial year.

C ASSETS AND LIABILITIES (continued)

C15 Financial risk management (continued)

(d) Fair value measurements (continued)

(i) Fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted market prices at the end of the financial year. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments in unlisted debt investments are recorded at cost. Investments in unlisted equity investments are recorded at the redemption value per unit as reported by the managers of such trusts and limited partnerships. Where such equity investments are in QIC managed trusts and limited partnerships, the underlying assets are valued independently at least annually in accordance with QIC's Investment Valuation Policy.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the financial years ended 30 June 2024 and 30 June 2023:

	Unlisted unit trusts $'000	Unlisted limited partnerships $'000	Unlisted debt investments $'000	Total $'000
Opening balance at 1 July 2022	**141,173**	**2,190**	**495**	**143,858**
Acquisitions	3,222	**39,572**	-	42,794
Disposals	-	**(3)**	-	(3)
Net unrealised income from financial assets at FVTPL	11,917	**1,769**	**-**	13,686
Closing balance at 30 June 2023	**156,312**	**43,528**	**495**	**200,335**
Acquisitions	**5,087**	**25,410**	**-**	**30,497**
Disposals	**(30,000)**	**(1,725)**	**-**	**(31,725)**
Net unrealised income from financial assets at FVTPL	**1,338**	**2,309**	**-**	**3,647**
Closing balance at 30 June 2024	**132,737**	**69,522**	**495**	**202,754**

(iii) Fair value disclosures for financial assets and financial liabilities measured at amortised cost

The fair value of the borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

All other financial assets and financial liabilities held by the group are measured at amortised cost, which management have assessed to be not materially different to its fair value at reporting date.

D EMPLOYEE BENEFITS

This section provides a breakdown of the various programs the group uses to reward and recognise employees and key executives, including Key Management Personnel ('KMP').

D1 Employee benefits

	2024 $'000	2023 $'000
Payables	**42,381**	46,143
Provisions	**82,300**	79,398
Total current employee benefits	**124,681**	125,541
Payables	**5,309**	5,192
Provisions	**11,286**	12,205
Total non-current employee benefits	**16,595**	17,397

(i) Total performance, attraction and retention remuneration

	2024	2023
Aggregate amounts for performance and retention of employees ($'000)	**91,642**	93,325
Aggregate remuneration (including the amounts above) for employees to whom such amounts are paid, payable or provided ($'000)	**254,870**	246,300
Number of employees who receive payments for performance and retention purposes	**878**	860

Recognition and measurement

Employee benefits are classified as payables when the timing and amount of the future payment is certain. Employee benefits are classified as provisions when the timing or amount of the future payment is uncertain. Employee benefit provisions are further presented as current if they are expected to be settled within 12 months after the end of the financial year in which the employees render the related service or as non-current if they are not expected to be settled within 12 months after the end of the financial year in which the employees render the related service.

(i) Employee benefits

The employee benefits liability represents accrued wages and salaries, leave entitlements and other incentives recognised in respect of employees' services up to the end of the financial year. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers' compensation insurance, superannuation and payroll tax.

Remuneration includes a mix of fixed remuneration and payments for performance, attraction and retention. The majority of these payments are dependent on the satisfaction of performance conditions and are defined as 'at risk'.

The maximum 'at risk' amount payable varies with individual roles to the extent that each role impacts on investment and corporate performance.

A liability for payments for performance, attraction and retention is recognised when the group has a present obligation to pay resulting from employee services provided.

D EMPLOYEE BENEFITS (continued)

D1 Employee benefits (continued)

Recognition and measurement (continued)

(ii) Short-term employee benefits

Short-term employee benefits include salaries, annual leave, paid sick leave, at risk performance and retention compensation and any non-monetary benefits provided such as cars or car parking which is expected to be settled within 12 months after the financial year.

(iii) Long-term employee benefits

Long-term employee benefits includes long service leave accrued and at risk long term performance and retention compensation.

The obligations are presented as current liabilities in the consolidated statement of financial position 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. All other obligations are presented as non-current liabilities.

(iv) Post-employment benefits

Post-employment benefits include superannuation contributions and other retirement plans.

The group contributes to superannuation funds for the purpose of providing benefits for employees and their dependents on retirement, disability or death. Contributions are charged as expenses when incurred.

In relation to contributions to the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust), employer contributions for superannuation are as determined by the Treasurer on the advice of the State Actuary. No liability is shown for superannuation benefits in the consolidated statement of financial position, as the liability is held on a Whole of Government basis and reported in the Whole of Government financial statements prepared in accordance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(v) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the employee accepts the offer of those benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the financial year are discounted to present value using a corporate bond rate that most closely matches the terms of the benefit.

Key estimates and judgements

(i) Annual leave and long service leave

Annual leave and long service leave benefits have been measured at the present value of the estimated future cash outflows resulting from services rendered by employees at reporting date. This calculation requires judgement in determining the following key assumptions:

- Future increase in wages and salary rates;
- Future on-cost rates, and
- Expected settlement dates based on employee turnover history.

Employee benefits that are not wholly expected to be settled within 12 months are discounted using the rates attached to a corporate bond at reporting date, which closely match the terms of maturity of the related liability.

D EMPLOYEE BENEFITS (continued)

D1 Employee benefits (continued)

Key estimates and judgements (continued)

(ii) At risk performance, attraction and retention

A number of factors could impact the amounts eventually paid, including:

- Finalisation of corporate performance;
- Finalisation of employees' performance reviews;
- Final approval by the board, and
- Employee remaining in service to the date of payment.

D2 Key management personnel

KMP disclosures are made in accordance with the *Supplementary Requirements for Disclosure of Government Owned Corporation Directors' and Chief and Senior Executives' Remuneration* issued by the Queensland Government.

KMP include both directors and senior executives who have authority and responsibility for planning, directing and controlling the activities of the group. The group's shareholding Ministers are identified as part of the group's KMP, consistent with AASB 124 *Related Party Disclosures*. These Ministers are the Honourable Steven Miles MP, Premier of Queensland and the Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment.

(a) Directors

The following persons were directors of QIC Limited for the whole of the financial year and prior year, except where indicated otherwise below:

Director	Position	Term	Expiry date
G Brunsdon(1)	Chairman (appointed 7 December 2023)	3 years	30 September 2026
J Battams	Non-Executive Director	4 years	30 September 2025
G Brown	Non-Executive Director (reappointed 1 October 2023)	3 years	30 September 2026
E Gonzalez	Non-Executive Director (appointed 1 October 2023)	3 years	30 September 2026
J Hickey	Non-Executive Director (appointed 7 December 2023)	3 years	30 September 2026
B Himbury	Non-Executive Director	3 years	30 September 2027
R Jones	Non-Executive Director	3 years	30 September 2025
S MacDonald	Non-Executive Director	3 years	30 September 2027
J Perry	Non-Executive Director	4 years	30 September 2025
S Desmarchelier	Non-Executive Director (term ended 30 September 2023)	1 year	30 September 2023
P Gallagher	Non-Executive Director (term ended 30 September 2023)	3 years	30 September 2023
I Martin AM	Chairman (retired 31 March 2024)	4 years	31 March 2024
J Wilson	Non-Executive Director (term ended 30 September 2022)	3 years	30 September 2022

Notes:
(1) Appointed to Non-Executive Director 7 December 2023. Appointed to Chair 1 April 2024.

D EMPLOYEE BENEFITS (continued)

D2 Key management personnel (continued)

(b) Senior Executives

Senior executives are those with the greatest authority for the strategic direction and management of the group, and are appointed by the board of directors of QIC Limited. The Chief Executive is appointed by the board of directors of QIC Limited, with the prior written approval of the shareholding Ministers. During the financial year and prior year, the following persons were senior executives of the group:

Position	Name
Chief Executive	K Rampa
Chief Financial and Operating Officer	C Blake
Chief Risk Officer	S O'Sullivan
Executive Director, Client Solutions and Capital	R Sriskandarajah

(c) Remuneration principles

(i) Remuneration of shareholding Ministers

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The group does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

(ii) Remuneration of directors

The Governor in Council of the State of Queensland determines the group's directors' fees. Directors receiving directors' fees personally also receive the statutory superannuation contributions. All directors are reimbursed for reasonable expenses incurred while conducting business on behalf of the group. Directors are not entitled to performance based incentive payments and retirement benefits.

(iii) Remuneration of senior executives and employees

Governance of remuneration practices and arrangements occurs through the People & Culture Committee ('Committee'), which oversees all remuneration policies and their implementation. The Committee refers its recommendations relating to remuneration to the board of directors of QIC Limited for approval.

The majority of the group's employees are sourced from the various financial markets and investment sectors in which the group participates. It is important that the group's employment practices are competitive within these markets. Effective remuneration strategies are an essential element in the group's ability to attract and retain investment professionals and other key employees and to ensure their effectiveness in achieving agreed performance benchmarks.

Analysis and advice is obtained from external consultants to ensure that remuneration is benchmarked against market rates for comparable roles. In addition, a number of surveys are used to assess market rates and trends. Remuneration is reviewed at least annually to ensure that it is competitive within the funds management industry.

The group has established a remuneration structure to motivate superior employee performance in order to achieve the organisation's short term performance objectives, to provide sustainable long term performance outcomes for the group and alignment with client and shareholder interests.

Fixed remuneration is calculated on a 'total cost' basis, including the cost of employee benefits such as motor vehicles, superannuation and car parking, together with fringe benefits tax applicable to those benefits. Fixed remuneration levels are targeted at the market median, taking into consideration relevant market trends.

D EMPLOYEE BENEFITS (continued)

D2 Key management personnel (continued)

(c) Remuneration principles (continued)

(iii) Remuneration of senior executives and employees (continued)

Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination. The group may, at its discretion, provide retrenchment payments consistent with industry practice.

(iv) At risk performance, attraction and retention compensation

These payments are dependent on the satisfaction of performance conditions and are defined as 'at risk'. The maximum 'at risk' amount payable varies with individual roles to the extent that each role impacts on investment and corporate performance. The components of the calculation reflect business objectives and are drawn from the following as appropriate:

- Financial performance, including profitability and revenue growth
- Investment performance, client satisfaction and client retention
- Process, risk and systems management and business improvements
- Leadership and culture, including employee engagement, capability management and collaboration

(iv) Remuneration of key management personnel

	2024 $'000	2023 $'000
Short-term benefits	**6,188**	6,305
Long-term benefits	**3,436**	2,320
Post-employment benefits	**335**	304
Total remuneration	**9,959**	8,929

KMP remuneration includes the remuneration of directors and senior executives specified in this note for the periods indicated.

D EMPLOYEE BENEFITS (continued)

D2 Key management personnel (continued)

(v) Remuneration of directors

Directors		Board and Board Committees			Short-term employee benefits	Post-employment benefits	
		QIC	Board Committees	Subsidiary boards	Total	Super	Total
Name	Position	$	$	$	$	$	$
Financial Year	**1 July 2023 - 30 June 2024**						
G Brunsdon[(1)]	Chairman	73,571	9,432	3,111	86,114	9,473	95,587
J Battams[(7)]	Director	84,478	25,131	10,052	119,661	13,163	132,824
G Brown	Director	84,478	20,104	10,052	114,634	12,610	127,244
E Gonzalez[(2)]	Director	67,500	13,555	5,624	86,679	9,535	96,214
J Hickey[(3)]	Director	51,071	7,528	5,624	64,223	7,065	71,288
B Himbury[(6)]	Director	84,478	25,131	10,052	119,661	13,163	132,824
R Jones[(8)]	Director	84,478	23,874	10,052	118,404	13,024	131,428
S MacDonald	Director	84,478	20,104	10,052	114,634	12,610	127,244
J Perry	Director	84,478	20,104	10,052	114,634	12,610	127,244
S Desmarchelier[(4)]	Director	16,978	5,026	2,513	24,517	2,881	27,398
P Gallagher [(4)(8)]	Director	16,978	8,796	2,513	28,287	3,112	31,399
I Martin AM[(5)]	Chairman	130,499	22,617	-	153,116	16,843	169,959
Total remuneration		863,465	201,402	79,697	1,144,564	126,089	1,270,653
Prior Year	1 July 2022 - 30 June 2023						
I Martin AM	Chairman	161,995	22,617	-	184,612	19,384	203,996
J Battams[(7)]	Director	67,911	25,131	10,052	103,094	10,825	113,919
G Brown	Director	67,911	20,104	10,052	98,067	10,297	108,364
S Desmarchelier	Director	67,911	20,104	10,052	98,067	11,523	109,590
P Gallagher [(8)]	Director	67,911	35,183	5,026	108,120	11,353	119,473
B Himbury[(6)]	Director	67,911	19,020	5,026	91,957	9,655	101,612
R Jones[(9)]	Director	48,777	10,814	5,026	64,617	6,785	71,402
S MacDonald	Director	67,911	15,078	5,026	88,015	9,242	97,257
J Perry	Director	67,911	20,104	5,026	93,041	9,769	102,810
A Solway [(10)]	Director	-	-	8,680	8,680	910	9,590
J Wilson	Director	16,978	2,513	-	19,491	2,047	21,538
Total remuneration		703,127	190,668	63,966	957,761	101,790	1,059,551

Notes:
(1) Appointed to Non-executive Director 7 December 2023. Appointed to Chair 1 April 2024.
(2) Appointed 1 October 2023.
(3) Appointed 7 December 2023.
(4) Term ended 30 September 2023.
(5) Retired 31 March 2024.
(6) Chair of the People & Culture Committee.
(7) Chair of the Risk Committee.
(8) Chair of the Audit Committee.
(9) Appointed 13 October 2022.
(10) Director of QIC Limited subsidiary companies only. Resigned 31 August 2022.

D EMPLOYEE BENEFITS (continued)

D2 Key management personnel (continued)

(vi) Remuneration of senior executives

Senior executives		Short-term employee benefits		Post-employment benefits	Other long -term benefits	Termination benefits	Total remuneration (excluding at -risk performance incentive)
		Salary and fees	Non-monetary benefits	Super	Annual and long service leave		
Name	Position	$	$	$	$	$	$
Financial Year	**1 July 2023 - 30 June 2024**						
K Rampa	Chief Executive	909,728	12,873	27,399	35,719	-	985,719
C Blake	Chief Financial and Operating Officer	415,926	35,093	126,856	5,354	-	583,229
S O'Sullivan	Chief Risk Officer	442,601	-	27,399	13,610	-	483,610
R Sriskandarajah	Executive Director, Client Solutions and Capital	547,601	-	27,399	14,015	-	589,015
Total remuneration		2,315,856	47,966	209,053	68,698	-	2,641,573
Prior Year	1 July 2022 - 30 June 2023						
K Rampa	Chief Executive	843,189	10,910	25,292	(5,817)		873,574
C Blake	Chief Financial and Operating Officer	415,818	32,965	126,227	51,579		626,589
S O'Sullivan	Chief Risk Officer	419,716	-	25,292	3,724		448,732
R Sriskandarajah	Executive Director, Client Solutions and Capital	524,718	-	25,292	(3,076)	-	546,934
Total remuneration		2,203,441	43,875	202,103	46,410	-	2,495,829

E CAPITAL STRUCTURE

This section provides information relating to the group's capital structure.

The capital structure of the group consists of debt and equity. The directors review the group's capital structure and dividend policy regularly and do so in the context of the group's ability to continue as a going concern, to invest in opportunities that grow the business, and to enhance shareholder value.

E1 Issued capital

	2024 Shares	2023 Shares	**2024 $'000**	2023 $'000
Ordinary shares	**30,300,000**	30,300,000	**37,475**	37,475

(i) Movements in ordinary share capital

There were no movements in the share capital of the group in the financial year and prior year.

(ii) Risk management

The group's capital management objectives are to:

- ensure sufficient capital resources to support business and operating requirements and manage risks, and
- continue to provide a return to the State of Queensland and benefits for other stakeholders.

Capital levels are monitored and assessed on a regular basis to ensure that these objectives are met.

The group is not currently subject to any legal or other regulatory requirement to have a capital base of any specific size. However, QIC European Investment Services Limited, a subsidiary of the group has a regulatory capital or financial resources requirement of £655,256 (2023: £127,188).

E2 Dividends

(i) Ordinary shares

	2024 $'000	2023 $'000
Final dividend of 100% of adjusted consolidated profit after income tax	**87,876**	68,173

Recognition and measurement

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the group, on or before the end of the financial year but not distributed at reporting date.

F GROUP STRUCTURE

This section explains significant aspects of QIC Limited's group structure, including its subsidiaries. It also provides information relating to QIC Limited's related parties, the extent of related party transactions and the impact they had on the group's financial performance and position.

F1 Parent entity disclosures

The parent entity of the group is QIC Limited. QIC Limited is a Queensland Government Owned Corporation, with all shares held by shareholding Ministers on behalf of the State of Queensland. All State of Queensland controlled entities meet the definition of related parties of QIC Limited.

(i) Summary financial information

The financial statements for the parent entity, QIC Limited, show the following aggregate amounts:

	2024 $'000	2023 $'000
Balance sheet		
Current assets	**366,148**	357,852
Non-current assets	**258,973**	218,603
Total assets	**625,121**	576,455
Current liabilities	**290,587**	290,710
Non-current liabilities	**99,736**	48,954
Total liabilities	**390,323**	339,664
Equity		
Contributed equity	**37,475**	37,475
Retained earnings	**197,323**	199,316
Total equity	**234,798**	236,791
Profit after income tax	**85,885**	78,108

(ii) Contingent liabilities of the parent entity

QIC Limited has given the following eligible undertakings in respect of Australian Financial Services Licences issued to its subsidiaries:

Entity	Agreement date	2024	2023
QIC Private Capital Pty Ltd	28 July 2015	$3.0 million	$3.0 million
QIC Retail Pty Ltd	9 December 2021	$2.5 million	$2.5 million
QIC Investments No. 1 Pty Ltd	9 December 2021	$1.7 million	$1.7 million
QIC Infrastructure Management Pty Ltd	9 December 2021	$1.5 million	$1.5 million
QIC Infrastructure Management No.2 Pty Ltd	9 December 2021	$1.5 million	$1.5 million
QIC Investments No. 2 Pty Ltd	9 December 2021	$1.0 million	$1.0 million
QIC Investments No. 3 Pty Ltd	9 December 2021	$0.15 million	$0.15 million
QIC Active Retail Property Fund TT Company Pty Ltd	9 December 2021	$0.15 million	$0.15 million
QIC Australia Core Plus Fund TT Company Pty Ltd	9 December 2021	$0.15 million	$0.15 million
QIC Office Fund TT Company Pty Ltd	9 December 2021	$0.15 million	$0.15 million
QIC Property Fund TT Company Pty Ltd	9 December 2021	$0.15 million	$0.15 million
QIC Town Centre Fund TT Company Pty Ltd	9 December 2021	$0.15 million	$0.15 million

In accordance with deed polls dated 2 February 2004 and 18 March 2005, QIC Limited has agreed to indemnify each subsidiary listed in those deed polls for liabilities incurred by the subsidiary to third parties, arising from the provision of financial services to wholesale clients in respect of dealing (including arranging for a person to deal), providing financial product advice and providing a custodial or depository service.

F GROUP STRUCTURE (continued)

F1 Parent entity disclosures (continued)

(ii) Contingent liabilities of the parent entity (continued)

QIC Limited has entered into the following Loan Facility Agreements with its subsidiaries to provide and receive (both as Borrower and Lender) financial accommodation. Details of the agreements are set out below:

Entity	Agreement date	Expiry date	2024	2023
QIC US Management, Inc.	22 June 2021	17 June 2031	US$5.0 million	US$5.0 million
QIC European Investment Services Limited	22 June 2021	17 June 2031	£5.0 million	£5.0 million
QIC Asian Investment Services Pte. Ltd.	13 July 2023	7 June 2033	SG$1.0 million	-
QIDP GP1 S.à r.l.	31 May 2022	25 May 2032	€5.0 million	€5.0 million
QIC QGIF II GP No.1 S.à r.l.	19 April 2023	14 April 2033	€5.0 million	€5.0 million
QIDF GP USD S.à r.l.	19 April 2023	14 April 2033	€5.0 million	€5.0 million
QIC Investment Fund GP No.1 S.à r.l.	10 October 2023	5 October 2033	€1.0 million	-
QIDF GP DA Aggregator S.à r.l.	22 November 2023	17 November 2033	€1.0 million	-
QIDF Feeder GP USD S.à r.l.	22 November 2023	17 November 2033	€1.0 million	-
QIDF GP EUR S.à r.l.	14 September 2023	9 September 2033	€1.0 million	-
QIDF Feeder GP EUR S.à r.l.	14 September 2023	9 September 2033	€1.0 million	-

The amounts shown in the table above represent the financial accommodation limits as set out in the Loan Facility Agreements noting these limits can be exceeded from time to time and, as long as it is agreed by both parties.

On 25 June 2021, QIC Limited entered into an Intragroup Facility Agreement with related parties to provide and receive financial accommodation. The parties to the agreement are with other Australian tax resident subsidiaries of QIC Limited.

On 23 June 2022, QIC Limited entered into a Loan Facility Agreement with QIC Private Capital Pty Ltd to provide financial accommodation solely for the purpose of funding investments. This loan is interest bearing and is distinct to the Intragroup Facility Agreement.

(iii) Guarantees

QIC Limited has provided the following financial guarantees to its subsidiaries. Under these agreements, QIC Limited has agreed to supply funding upon receipt of a written demand from the subsidiaries of up to the below amounts:

Entity	Agreement date	2024	2023
QIC European Investment Services Limited	11 February 2014	$1.0 million	$1.0 million
QIC US Investment Services Inc.	12 May 2015	$1.0 million	$1.0 million
QIC US Management, Inc.	9 August 2017	$3.0 million	$3.0 million
QICP Pty Ltd	29 June 2020	$2.0 million	$2.0 million

The above guarantees remain in force until the subsidiaries notify QIC Limited in writing that the guarantees are no longer required.

(iv) Contractual commitments for the acquisition of property, plant or equipment and intangible assets

As at 30 June 2024, the parent entity had contractual commitments for the acquisition of property, plant or equipment and intangible assets totalling $0.7 million (30 June 2023: nil). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

F GROUP STRUCTURE (continued)

F1 Parent entity disclosures (continued)

(v) Transactions and balances with subsidiaries

The following transactions occurred with QIC Limited subsidiaries:

	30 June 2024 $	30 June 2023 $
Service fees received from subsidiaries	**103,657,701**	82,302,876
Service fees paid to subsidiaries (administration services)	**32,600,674**	28,843,647
Service fees paid to subsidiaries (management and performance fees)	**157,352,935**	154,903,821
Amounts paid by subsidiaries under the tax funding agreement	**31,145,608**	37,110,907
Dividend income from subsidiaries	**75,535,600**	91,494,337
Interest income from subsidiaries	**2,080,136**	854,931
Current receivables (loans to subsidiaries)	**4,254,159**	5,615,830
Non-current receivable (loans to subsidiaries)	**63,829,021**	50,069,962
Current receivables (tax funding agreement)	**2,767,483**	8,220,014
Current receivables (dividend income from subsidiaries)	**75,439,021**	92,021,915
Current payables (loans from subsidiaries)	**56,903,190**	74,486,396

No impairments have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

Transactions with Queensland Government entities and other related parties are disclosed at a consolidated level, refer to note F3.

F2 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following material subsidiaries. QIC Limited has a number of other subsidiaries in the group that are non-trading and were effectively dormant during the financial year and prior year:

Name of entity	**Country of incorporation**	**Class of shares**	**Equity holding 2024 %**	Equity holding 2023 %
QGIF Carry Rebate Trust	Australia	Ordinary	**100**	100
QIC Corporate Holdings Pty Ltd	Australia	Ordinary	**100**	100
QIC Corporate Holdings Trust	Australia	Ordinary	**100**	100
QIC Infrastructure Management No.2 Pty Ltd	Australia	Ordinary	**100**	100
QIC Infrastructure Management Pty Ltd	Australia	Ordinary	**100**	100
QIC Investment Holdings Pty Ltd	Australia	Ordinary	**100**	100
QIC Investment Holdings Trust	Australia	Ordinary	**100**	100
QIC Investments No. 1 Pty Ltd	Australia	Ordinary	**100**	100
QIC Investments No. 2 Pty Ltd	Australia	Ordinary	**100**	100
QIC Investments No. 3 Pty Ltd	Australia	Ordinary	**100**	100
QICP Pty Ltd	Australia	Ordinary	**100**	100
QIC Private Capital Pty Ltd	Australia	Ordinary	**100**	100
QIC Retail Pty Ltd	Australia	Ordinary	**100**	100
QIC Investment Fund GP No. 1 S.à r.l ***	Luxembourg	Ordinary	**100**	-
QIC QGIF II GP No.1 S.à r.l. ***	Luxembourg	Ordinary	**100**	100
QIDF Feeder GP EUR S.a.r.l ***	Luxembourg	Ordinary	**100**	-
QIDF Feeder GP USD S.à r.l. ***	Luxembourg	Ordinary	**100**	100

F GROUP STRUCTURE (continued)

F2 Subsidiaries (continued)

Name of entity	Country of incorporation	Class of shares	Equity holding 2024 %	Equity holding 2023 %
QIDF GP DA Aggregator S.à r.l. ***	Luxembourg	Ordinary	**100**	100
QIDF GP EUR S.a.r.l ***	Luxembourg	Ordinary	**100**	-
QIDF GP USD S.à r.l. ***	Luxembourg	Ordinary	**100**	100
QIDP GP1 S.à r.l. ***	Luxembourg	Ordinary	**100**	100
QIC Asian Investment Services Pte. Ltd. ****	Singapore	Ordinary	**100**	100
QIC European Investment Services Limited	United Kingdom	Ordinary	**100**	100
QIC Corporate Management, Inc. *	United States	Ordinary	**100**	100
QIC Global Infrastructure (US), Inc. *	United States	Ordinary	**100**	100
QIC Non-Member Manager LLC **	United States	Ordinary	**100**	100
QIC Properties US, Inc. *	United States	Ordinary	**100**	100
QIC QGIF GP Co No.1 Inc. **	United States	Ordinary	**100**	100
QIC US Investment Services Inc. *	United States	Ordinary	**100**	100
QIC US Management, Inc.	United States	Ordinary	**100**	100
QIC US Private Equity, LLC **	United States	Ordinary	**100**	100
QIC US Private Equity No. 2 LLC **	United States	Ordinary	**100**	100
QIC US Shopping Centre Fund No.1 GP LLC **	United States	Ordinary	**100**	100
South Bay Managing Member LLC **	United States	Ordinary	**100**	100

* Subsidiary of QIC US Management, Inc.
** Subsidiary of QIC US Investment Services Inc.
*** Subsidiary of QIC Investment Holdings Pty Ltd as trustee for QIC Investment Holdings Trust
**** Subsidiary of QIC Corporate Holdings Pty Ltd as trustee for QIC Corporate Holdings Trust

F3 Related party information

(i) Transactions with shareholding Ministers

As a Queensland Government Owned Corporation ('GOC'), QIC Limited's shareholding Ministers are the Honourable Steven Miles MP, Premier of Queensland and the Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment.

There was no income received, or due and receivable, by the shareholding Ministers from the group during the financial year. No shareholding Minister has received or become entitled to receive any benefit by reason of a contract made by the group.

The group has not made purchases or provided goods or services to/from entities or individuals related to shareholding Ministers.

(ii) Transactions with key management personnel

Directors of QIC Limited and executives of the group

Transactions with entities related to KMP occur on terms and conditions which are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related entities on an arm's length basis.

F GROUP STRUCTURE (continued)

F3 Related party information (continued)

(iii) Transactions with other related parties

The following transactions occurred with related parties:

2024	**State of Queensland $**	**Other related entities $**
Investment management and performance fees	**349,111,125**	**102,198,956**
Property management fees	**-**	**103,232,008**
Other revenue	**3,502**	**12,022,132**
Competitive neutrality fee expense	**125,000,000**	**-**
Purchase of goods and services	**27,200,349**	**12,774,833**
Purchase of financial assets at FVTPL	**-**	**62,523,307**
Sale of financial assets at FVTPL	**-**	**55,038,241**
Payment of income tax	**34,965,858**	**-**
Payment of dividends	**68,172,966**	**-**
Current receivables	**34,191,878**	**92,784,914**
Current payables	**33,686,787**	**12,917,150**
Dividends payable	**87,875,628**	**-**
Income tax payable	**4,512,549**	**-**

2023	**State of Queensland $**	**Other related entities $**
Investment management and performance fees	318,401,199	99,403,981
Property management fees	-	105,375,963
Other revenue	1,206,018	13,971,904
Competitive neutrality fee expense	125,000,000	-
Purchase of goods and services	27,482,667	17,013,749
Purchase of financial assets at FVTPL	-	42,793,381
Sale of financial assets at FVTPL	-	3,419
Payment of income tax	50,574,211	-
Current receivables	27,447,557	79,202,404
Current payables	33,821,722	3,712,554
Dividends payable	68,172,966	-
Income tax payable	147,441	-

(iv) Competitive neutrality fees

Competitive neutrality fees are a requirement for government business activities to pay taxes (or tax equivalents) to remove benefits (and costs) as a result of their public ownership which accrue to government business activities when competing with the private sector. This fee is payable to the Queensland Government and is based on a fee arrangement with certain Queensland Government clients.

(v) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of QIC Limited.

F GROUP STRUCTURE (continued)

F3 Related party information (continued)

(vi) Terms and conditions

The majority of loans between entities in the group are interest free and repayable on demand, except for an interest-bearing debt facility between QIC Limited and QIC Private Capital Pty Ltd. Outstanding balances are unsecured and are repayable in cash.

All other transactions were made on normal commercial terms and conditions and at market rates.

G OTHER

This section provides details on other required disclosures relating to the group to comply with accounting standards and other pronouncements.

G1 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material nature, likely to significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years.

G2 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the parent entity and its subsidiaries, and its related network firms:

	2024 **$**	2023 $
Queensland Audit Office		
Audit and review of financial reports	**411,299**	393,100
Audit of regulatory returns	**73,501**	70,000
KPMG and related network firms		
Audit and review of financial reports	**94,942**	113,958
BDO and related network firms		
Audit and review of financial reports	**81,570**	-
Total remuneration for audit services	**661,312**	577,058

(i) Other services

	2024 **$**	2023 $
KPMG and related network firms		
Taxation and advisory services	135,319	165,151

G3 Standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 financial year and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below. Other than as set out in this note, there are no other standards that are not yet effective and that are expected to have a material impact on the group in the current or future financial years and on foreseeable future transactions.

(i) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to AASB 101

Under existing AASB 101 requirements, entities classify a liability as current when they do not have an *unconditional right* to defer settlement for at least 12 months after the reporting date. The amendments to AASB 101 have removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance in order for the liability to be classified as non-current.

G OTHER (continued)

G3 Standards and interpretations issued but not yet effective (continued)

(i) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to AASB (continued)

While covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date, when non-current liabilities are subject to future covenants, entities will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

Similar to existing requirements in AASB 101, the classification of liabilities is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement or will choose to settle early.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

The impact of these amendments on the consolidated financial statements, including any impact on the assessment of the entity's going concern are currently being reviewed. No significant impacts to the financial statements are expected due to this amendment in AASB 101.

(ii) AASB 18 Presentation and Disclosure in Financial Statements ('AASB 18')

AASB 18, which will replace AASB 101, seeks to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18: the presentation of newly defined subtotals in the statement of profit or loss; the disclosure of management-defined performance measures; and enhanced requirements for grouping information (i.e. aggregation and disaggregation). These new requirements will enable investors and other financial statement users to make more informed decisions, including better allocations of capital, that will contribute to long-term financial stability.

For for-profit entities preparing Tier 1 general purpose financial statements, AASB 18 applies to annual reporting periods beginning on or after 1 January 2027. For all other entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. This delayed date will allow the AASB to consult with stakeholders to assess whether AASB 18 should be amended for application by these entities.

The impacts of AASB 18 on the financial statements are currently being assessed.

Entity name	Entity type	Bodies corporate		Tax residency	
		Place formed	% of share capital held	Australian or foreign	Foreign jurisdiction
QIC Limited[(1)]	Body Corporate	Australia	N/A	Australia	N/A
Canberra Centre Investments Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Canberra Centre TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Castle Towers TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Albert Street Head Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Albert Street Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Boggo Road Head Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Boggo Road Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Roma Street Head Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Roma Street Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Woolloongabba Head Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
CRR Woolloongabba Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Eastland Property Holdings Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Eastland Ringwood Office Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Eastland Shopping Centre TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
eShop TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Melton Property TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Pacific Echo Pty Limited	Body Corporate	Australia	100%	Australia	N/A
QACPF 555 Lonsdale Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Big Top Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF CB Fisher Drive Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Forest Lake TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Industrial Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Kewdale Road Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Miller Property Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Nerang Mall Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Nerang Mall TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Newman Road Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Pakenham Place Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Pittwater Place Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Pittwater Place TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF Purling Avenue Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF The Village Mt Gravatt Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QACPF The Village Mt Gravatt TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QBDF Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QBF No. 1 Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QBF No. 2 Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QFF CRR Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QFF QGRE Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QGIF Carry Rebate Trust	Trust	N/A	N/A	Australia	N/A
QIC Active Retail Property Fund Bathurst TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Active Retail Property Fund Craigieburn Junction TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Active Retail Property Fund Domain TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Active Retail Property Fund TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Asia Real Estate Investments Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Australia Core Plus Fund TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A

Entity name	Entity type	Bodies corporate		Tax residency	
		Place formed	% of share capital held	Australian or foreign	Foreign jurisdiction
QIC CM Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Coomera Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Corporate Holdings Pty Ltd [(1)(3)]	Body Corporate	Australia	100%	Australia	N/A
QIC Corporate Holdings Trust[(1)]	Trust	N/A	N/A	Australia	N/A
QIC Craigieburn Junction Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Developments Pty Ltd[(1)]	Body Corporate	Australia	100%	Australia	N/A
QIC Epping Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC GP Holding Trust	Trust	N/A	N/A	Australia	N/A
QIC Grand Central TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Helensvale Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Hi-Yield Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Infrastructure Management No. 2 Pty Ltd[(1)(2)]	Body Corporate	Australia	100%	Australia	N/A
QIC Infrastructure Management No. 3 Pty Ltd[(1)])	Body Corporate	Australia	100%	Australia	N/A
QIC Infrastructure Management No. 4 Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Infrastructure Management Pty Ltd[(1)]	Body Corporate	Australia	100%	Australia	N/A
QIC Initial Unitholder Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC International Real Estate Investments Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Investment Holdings Pty Ltd[(1)(4)]	Body Corporate	Australia	100%	Australia	N/A
QIC Investment Holdings Trust[(1)]	Trust	N/A	N/A	Australia	N/A
QIC Investments No. 1 Pty Ltd[(1)]	Body Corporate	Australia	100%	Australia	N/A
QIC Investments No. 2 Pty Ltd[(1)]	Body Corporate	Australia	100%	Australia	N/A
QIC Investments No. 3 Pty Ltd[(1)]	Body Corporate	Australia	100%	Australia	N/A
QIC Logan Hyperdome (No. 2) Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Logan Hyperdome Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Logan Hyperdome TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Merrifield Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Merry Hill Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Noosa Civic Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC North America Investments Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC North Asia Real Estate Investment Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Office Fund TST Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Office Fund TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Private Capital Pty Ltd[(1)]	Body Corporate	Australia	100%	Australia	N/A
QIC Property Fund TST Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Property Fund TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Property Management Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Real Estate Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Retail (No. 2) Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Retail Pty Ltd[(1)]	Body Corporate	Australia	100%	Australia	N/A
QIC Ringwood Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Robina Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Robina TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Toowoomba Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Town Centre Fund TST Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Town Centre Fund TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Werribee Pty Ltd	Body Corporate	Australia	100%	Australia	N/A

Entity name	Entity type	Bodies corporate: Place formed	Bodies corporate: % of share capital held	Tax residency: Australian or foreign	Tax residency: Foreign jurisdiction
QIC Westpoint Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC Westpoint TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QICP Pty Ltd(1)	Body Corporate	Australia	100%	Australia	N/A
QPC Investments No. 1 Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QSHF Sub-Debt Provider No. 1 Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Queensland BioCapital Funds Pty Ltd(1)	Body Corporate	Australia	100%	Australia	N/A
TIF3 Pty Ltd(5)	Body Corporate	Australia	100%	Australia	N/A
Watergardens Pty Limited	Body Corporate	Australia	100%	Australia	N/A
Watergardens TT Company Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
QIC QGIF II GP No. 1 S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIDF Feeder GP EUR S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIDF Feeder GP USD S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIDF GP DA Aggregator S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIDF GP EUR S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIDF GP USD S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIDP GP1 S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIC Investment Fund GP No.1 S.a.r.l	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
QIC Asian Investment Services Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
QIC Global Infrastructure Fund Feeder GP Limited	Body Corporate	Jersey	100%	Foreign	Jersey
QIC European Investment Services Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
QIC Corporate Management, Inc	Body Corporate	United States	100%	Foreign	United States
QIC Global Infrastructure (US), Inc.	Body Corporate	United States	100%	Foreign	United States
QIC Non-Member Manager, LLC	Body Corporate	United States	100%	Foreign	United States
QIC Properties US, Inc.	Body Corporate	United States	100%	Foreign	United States
QIC QGIF GP Co No.1 Inc.	Body Corporate	United States	100%	Foreign	United States
QIC US Investment Services Inc.	Body Corporate	United States	100%	Foreign	United States
QIC US Management, Inc.	Body Corporate	United States	100%	Foreign	United States
QIC US Private Equity LLC	Body Corporate	United States	100%	Foreign	United States
QIC US Private Equity No.2 LLC	Body Corporate	United States	100%	Foreign	United States
QIC US Shopping Center Fund No.1 GP LLC	Body Corporate	United States	100%	Foreign	United States
South Bay Managing Member LLC	Body Corporate	United States	100%	Foreign	United States

Notes:
(1) This entity is part of a tax-consolidated group under Australian taxation law, for which QIC Limited is the head entity.
(2) Trustee of QGIF Carry Rebate Trust which is consolidated in the consolidated financial statements.
(3) Trustee of QIC Corporate Holdings Trust which is consolidated in the consolidated financial statements.
(4) Trustee of QIC Investment Holdings Trust which is consolidated in the consolidated financial statements.
(5) Trustee of QIC GP Holding Trust which is consolidated in the consolidated financial statements.

In the directors' opinion:

(a) the consolidated financial statements and notes set out on pages 5 to 59 are in accordance with the *Corporations Act 2001*, including:

    (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

    (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 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 entity disclosure statement is true and correct.

Note A2 confirms that the consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board.

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

Mr G Brunsdon AM
Director

Brisbane
27 August 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of QIC Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of QIC Limited and its controlled entities (the group).

The financial report comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a) giving a true and fair view of the group's financial position as at 30 June 2024, and its financial performance for the year then ended; and

b) complying with the Australian Accounting Standards and the Corporations Regulations 2001.

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 group 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 group 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 directors of the company, would be in the same terms if given to the directors 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.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Recognition of performance fees and probability of clawback ($37.621m)

Refer to Note B1 in the financial report

Key audit matter	How my audit addressed the key audit matter

Performance fees are material to QIC Limited (QIC).
Performance fees are charged in accordance with individual contracts. Under these contracts, QIC may be entitled to performance fees when the investment performance exceeds a set benchmark. Some contracts also contain clawback clauses that require QIC to refund performance fees received. This occurs if the investment performance falls below the benchmark during a specified future period (the clawback period).
Revenue is recognised in the financial statements for performance fees earned, less the amount of clawbacks recognised as deferred revenue.
The methodology used in the calculation of the performance fee and potential clawback is complex as it is dependent on:
• estimating the level and volatility of future performance.
• using past actual performance to estimate future performance.
	My procedures included, but were not limited to:
	• Obtaining an understanding of the models used and assessing their design, integrity and appropriateness with reference to the relevant contract.
	• Assessing management's controls over the performance fee process in line with their model risk standard.
	• Verifying the inputs, on a sample basis, to the relevant contract.
	• Analysing the calculation of the over-performance buffer and assessing the factors impacting expectations of future performance used to determine the clawback amount.
	• Verifying inputs used in the clawback calculations including:
	  – current investment values, by confirming to third party investment administrator records.
	  – past benchmark values, by agreeing to the relevant industry indices.
	  – past actual performance data, by confirming to third party investment administrator records.
	• Assessing management's evaluation of the probability of the performance fee criteria being met. This included re-performing the normal distribution to calculate the probability of a material performance fee to be recognised at the end of the performance period and using the results to validate QIC's assessment of what is recognised as revenue, deferred revenue and as a contingent asset.

Other information

The company's directors are responsible for the other information.

The other information comprises the information included in the company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. At the date of this auditor's report, the available other information in QIC Limited's annual report for the year ended 30 June 2024 was the directors' report.

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.

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Responsibilities of the Directors for the financial report

The directors of the company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and,

for such internal controls as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of 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 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 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 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/ar5.pdf

This description forms part of my auditor's report.

29 August 2024

Rachel Vagg
Auditor-General

Queensland Audit Office
Brisbane