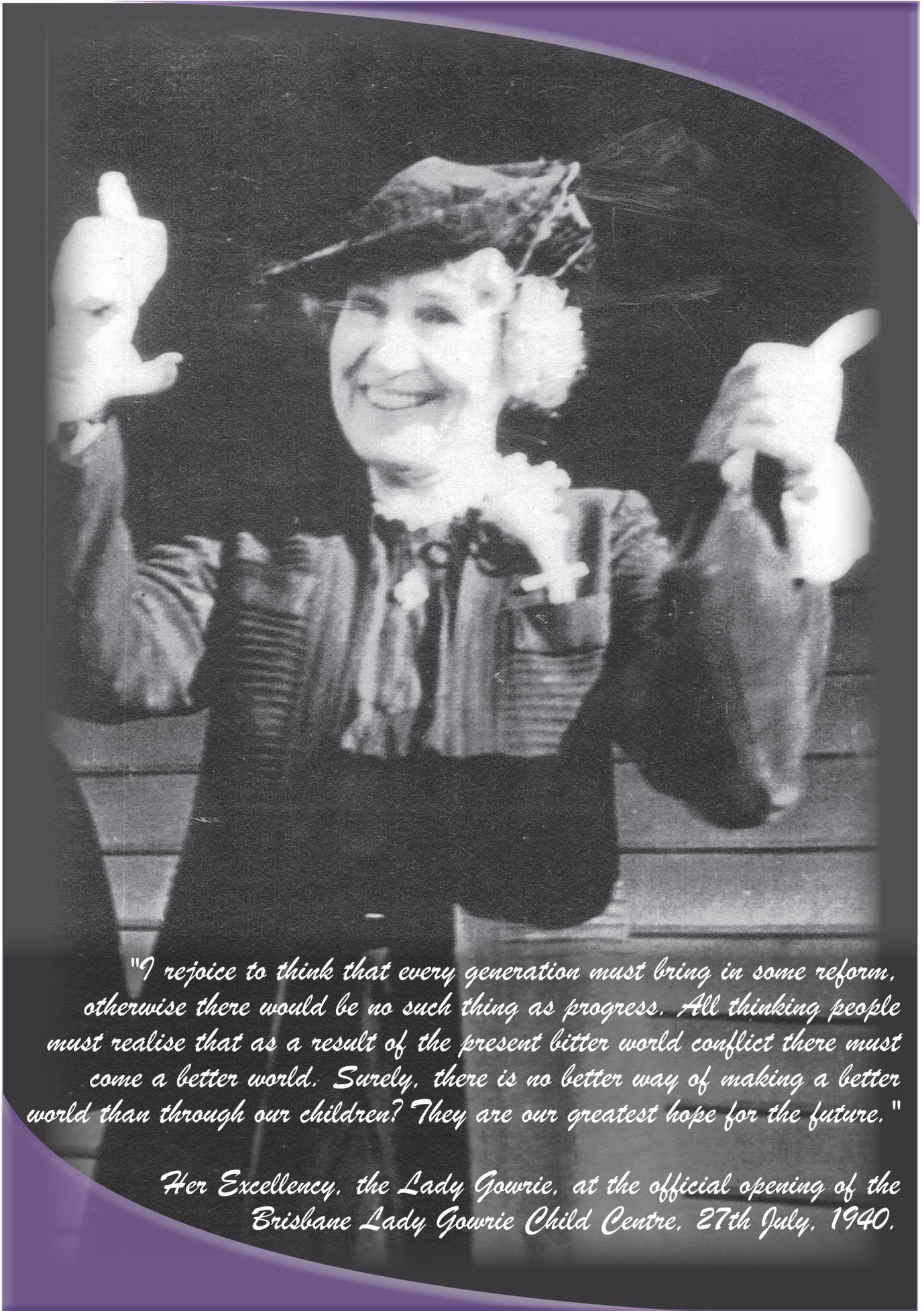




Lady Gowrie^{QLD}
Educating and caring
for children since 1940



Annual Report 2021



"I rejoice to think that every generation must bring in some reform, otherwise there would be no such thing as progress. All thinking people must realise that as a result of the present bitter world conflict there must come a better world. Surely, there is no better way of making a better world than through our children? They are our greatest hope for the future."

Her Excellency, the Lady Gowrie, at the official opening of the Brisbane Lady Gowrie Child Centre, 27th July, 1940.

Contents

Introducing Lady Gowrie Qld	4
Vision for Reconciliation	5
80th Birthday Celebrations	6
Report from the Chair of the Board	8
Honorary Life Members	10
Our Board of Management	11
Lady Gowrie Community Kindergartens	14
Gowrie Australia	16
Recognising our People	17
Strategic Plan 2020 - 2022	18
Educational Strategy 2020 - 2022	19
Risk Statement	20
Financial Report	22
Financial Statements	24

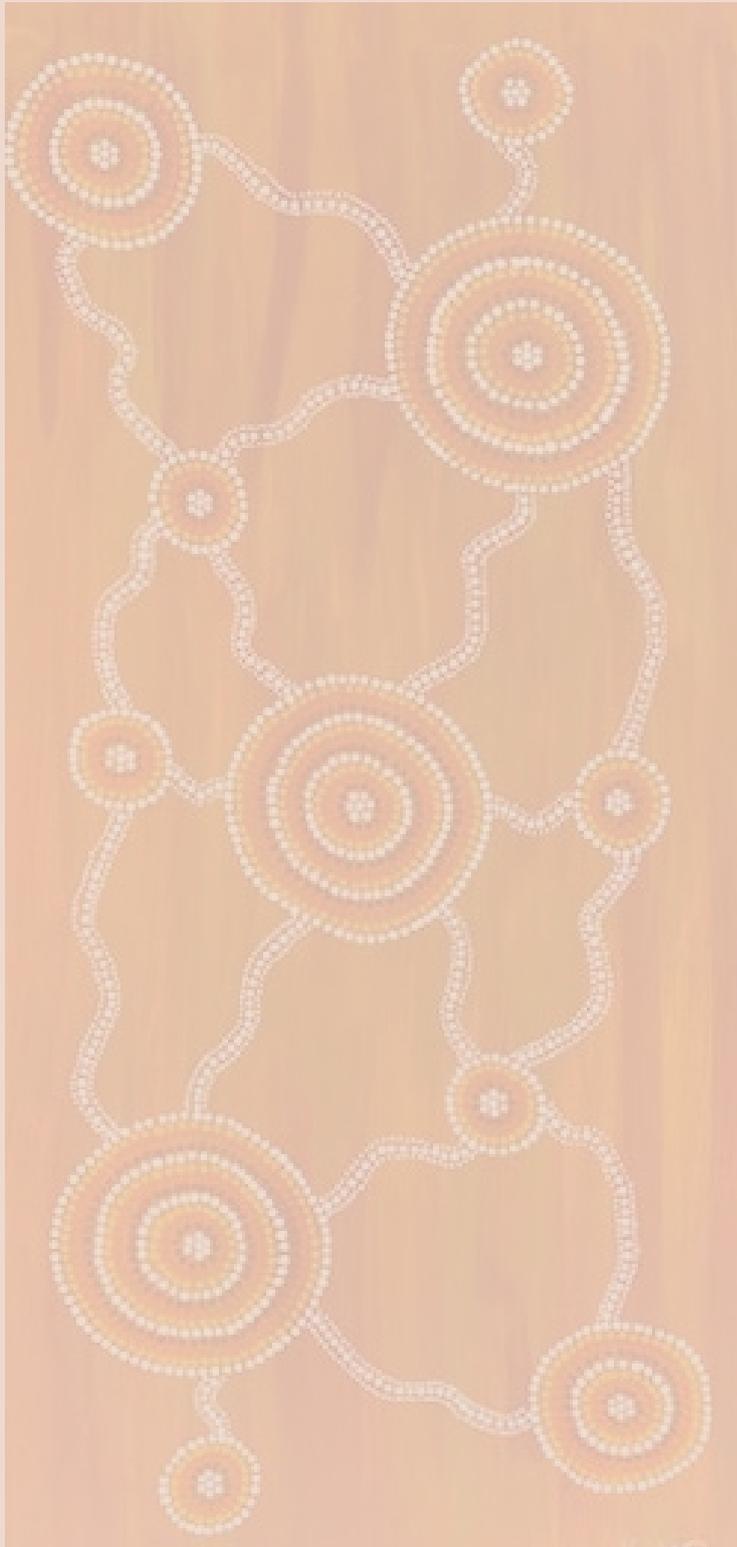
The image features two wooden spears with intricate dot patterns. One spear is painted black with a pattern of yellow, blue, and white dots. The other is painted red with a pattern of yellow, blue, and white dots. They are set against a background of white, porous, shell-like structures and brown soil.

We are a not-for-profit organisation with a strong heritage in early childhood education in Queensland and Australia. The Brisbane Lady Gowrie Child Centre was established in 1940 as a demonstration centre for excellence in early childhood education and care.

Lady Gowrie Qld acknowledges the traditional custodians of the lands on which our Services are placed and pay our respects to the Elders, past and present, who have raised children, taught them about the world around them and bestowed on them the gift of culture and language.

Lady Gowrie Qld acknowledges our partnership with Headstart Kindergarten Association and the Thursday Island Community in supporting and providing Education and Care for Aboriginal and Torres Strait Islander children and families.

Lady Gowrie Qld Vision for Reconciliation



*Painting Title: **Many Journeys***

The story is of many journeys of Aboriginal people on this land Using the songlines to connect them to the environment and the land The journeys were for food survival and to trade share and barter with neighbouring nations The circles represent the different nations of which we would visit and pass through to do so.

*Artwork by **Nindi (Ros Sailor)** Heritage: **Waanji and Kuku Yalanji***

Lady Gowrie Queensland (Gowrie Qld) is committed to reconciliation. We envisage a future where all Australians respect and value the rights, histories and diverse languages and cultures of Aboriginal and Torres Strait Islander peoples, as the traditional custodians and First Nations people of this land. We value the strong and proud bonds of care and connection to land, sea, waterways and community embedded in First Nations cultures. We acknowledge the intergenerational injustices and trauma which have impacted on Aboriginal and Torres Strait Islander people and families. We commit to a brighter just future based on mutual understanding, respect and learning.

We recognise our influence on the early years of children and their families, and the communities in which we work. Early childhood education and care plays a critical role in reconciliation and truth telling. We commit to inclusive and culturally safe relationships, practices and environments for all, as we work together to promote the best possible outcomes for all children and families.



80th Birthday Party

Celebrating milestone

Virtual Teddy Bears Picnic

On the 14th October 2020 the children and staff of Lady Gowrie Queensland celebrated our 80th Birthday virtually due to the unprecedented times we all faced in 2020.

We welcomed our Services across Queensland with children excited to see and connect with children in other Communities, broadening their understanding of xoxoxoxo.

80 years ago just 17 children were enrolled at Love St, Spring Hill. Now we support over 9,500 families throughout 116 services across Queensland from Coolangatta to Thursday Island.

Lady Gowrie asked for the planting of the jacaranda trees in both the grounds and the surrounding streets.

That is why the colour purple is so special for our Lady Gowrie.

So much has changed since then but many of the same beliefs and values behind the Lady Gowrie philosophy remain the same.

We honour childhood as a unique time of life.

We want to continue to provide a rich, stimulating supportive early learning environments for children and their families, regardless of what is happening in the world.

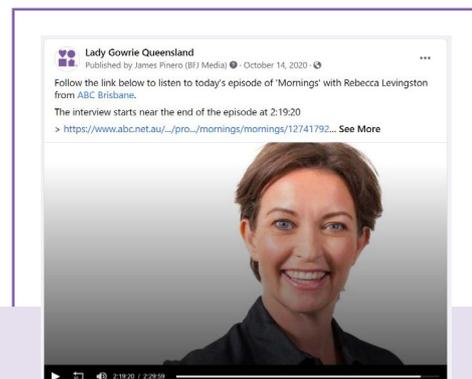
We are extremely proud of how our team have met the challenges with creativity, innovation, flexibility, compassion and empathy.

Denise Shellback who was a student here at Love Street in the 1940s for attending the event and cutting the cake.

The event ended with a rousing rendition of Happy Birthday and cookies delivered across the State for staff and children to enjoy.

We were all so excited to come together even virtually.

Louise Jackson, CEO.





From the Chair of the Board

Ronnie Lake



On behalf of the Board of Management I am pleased to present the Lady Gowrie Queensland (Gowrie) 2020 Annual Report.

It is incredible to think it is 12 months since the last AGM.

What has been surprising is the longevity and unforeseen impact COVID-19 has had, and continues to have on the economy, the communities and families that we support and our people and financial health. In a period of continued uncertainty there is no more important time to be focused on personal and organisational resilience, but also innovation. After all, out of every threat comes opportunity.

From a personal 'resilience' perspective, nothing makes me prouder than the resilience our brave and fearless Gowrie team have demonstrated during this period. While many of us worked from home they continued to deliver excellence in early childhood and helped kept the economy moving by enabling people (including essential workers) to continue to work. You are all superstars!

From an organisational resilience perspective, Gowrie has been fortunate to have cash reserves to enable us to respond to the average 8% drop in utilisation we have experienced across our services this year. This impact has been seen across the sector and we believe that as 'work from home' days have become the new normal, parents are choosing to keep their children at home. We are seeing evidence of utilisation beginning to rebound, but whether this trend is temporary, or part of our new normal, only time will tell. Which brings me on to 'innovation'.

Asking questions and challenging the status-quo to adapt to change is healthy for any organisation, be it an ASX 50 or a not for profit. Innovation in the way we educate, provide and run our services and being brave enough to challenge the status quo are important to ensure we remain relevant and sustainable in the face of demographic change while being true to Lady Zara Pollok, Countess of Gowrie's vision. I do however want

to stress, nothing in this necessary adaption will change our commitment to Gowrie retaining its position as the pre-eminent educator within the Early Childhood Education and Care (ECEC) sector.

Sadly, this year as part of this adaption it was necessary to close our Waratah Drive service due to continued low enrolment levels. It was a difficult decision, and the staff and service were honoured in a get together in December. A heart-felt thank you to the Waratah staff all for being the committed ECEC professionals that you are. This year also marked Gowrie's 80th birthday and the development of our Reflect Reconciliation Action Plan (RAP), which I am delighted to advise has been conditionally endorsed by Narragunnawali: Reconciliation in Education. Development of the RAP has involved a significant amount of work and it is one tangible way in which we continue to show our commitment to the reconciliation both internally and in the communities in which we operate. We thank and acknowledge Dr Lisa Sonter for her leadership of our Working Group during this time, it has helped us truly represent our Organisation and the Communities we are a part of.

The central pillar in our continued success are of course our people. Attraction and retention of early childhood professionals has never been more competitive. That is why we will continue to invest in both the development and engagement of our people, pedagogical research and forging links with educational institution to make sure we can attract and retain the best graduates. We are already walking the talk on this with 20% of our staff currently enrolled in early childhood related study and our active internship and trainee programme. Indeed, in 2020 we welcomed 30 new 20 interns and trainees to Gowrie, and we are excited about them continuing to grow with us.

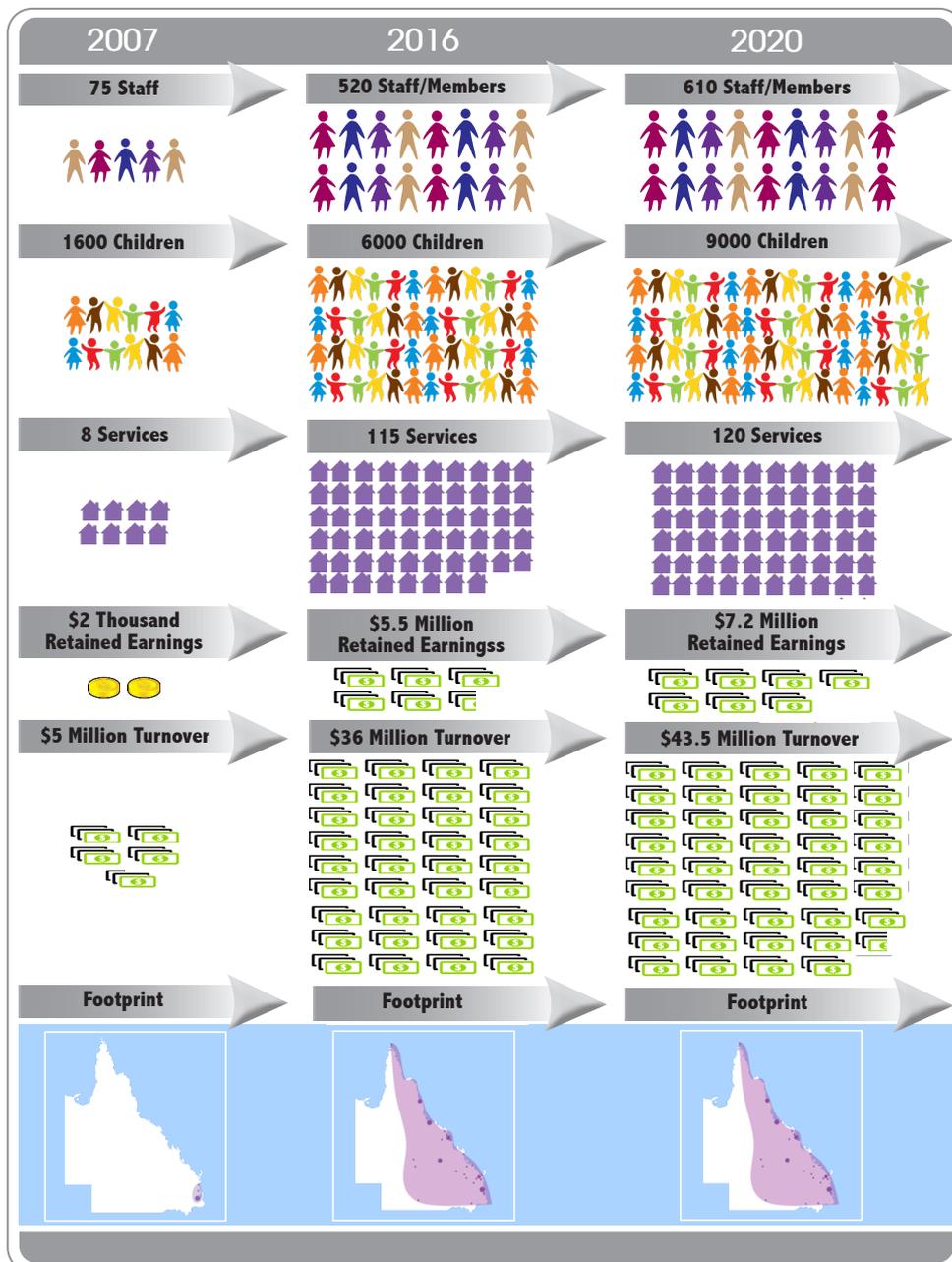
There is a long list of other people I wish to thank. On the top of the list is Louise. Anyone that has been a leader knows it is not easy at the top. The pressures are many and varied and very few people see the full suite of challenges and difficult decisions thrown at you on a daily basis. So, to Louise, thank-you for your energy, commitment and care for our Gowrie.

I would also like to extend my thanks to the current and retired Board members. This year saw Mia Christensen, Shona Sharma-Vasani and Kylie Kluger retire from the Board and Margo Blue and Angela Edwards join us. As volunteers you give your time and expertise freely and we are fortunate to have a group with such broad expertise. In particular, I would also like to take the opportunity to recognise the previous Chair of Gowrie: Peta Peering who during her seven years on the Board made a huge contribution.

has also been a leading light in the early childhood sector that has spanned 40 years. The second is Leisa Prowse. For nine years Leisa held roles as both a Board Member and Chair of our Organisation. During Leisa's leadership she guided the Organisation through significant milestones including the purchase of our "spiritual home" Love Street, significant growth in our geographic footprint and the first steps to a sustainable business model. Congratulations and thank you to Jane and Lisa.

At the AGM on the 29 July 2021, we will also be doing something that has not occurred in Gowrie since 2010 and that is the nomination of two honorary life members! The first needs no introduction and will always be considered as one of Gowrie's own: Jane Bourne. Jane was not only a huge contributor to the success of Gowrie in her 9 and half years as CEO but

Having looked through several previous Chair reports, a theme is the focus on our centennial. This report is no different. We will adapt, and we will further cement our reputation for providing excellence in early childhood and at Gowrie's centenary, we will be fixing our sights on our 150th!



Honorary Life Members

Jane Bourne

Jane Bourne is a highly-regarded expert in Early Childhood Education and Care, with more than four decades of experience to her name. Jane has held a variety of senior management and executive positions in both profit and not-for-profit organisations, including eight years as CEO of Lady Gowrie Queensland, before commencing as CEO of C&K in October 2018. Jane is also the National Board QLD representative of the Early Childhood Australia Queensland Branch.

Jane's management and leadership experience is an extension of her background as an early childhood teacher. She is a fierce advocate for children, and is dedicated to creating systems and opportunities that promote best outcomes for children, families, and the Early Childhood Education and Care profession.

In 2020 Jane was awarded the QUT Faculty of Education Outstanding Alumni Award for her dedication to early childhood learning.

Leisa Prowse

Leisa is a stakeholder engagement practitioner with more than 30 years experience.

Leisa's genuine curiosity and flexible approach helps her to quickly get to the heart of an issue, harnessing the energy and expertise of others along the way. She understands people, and can work with any stakeholder.

Leisa's Lady Gowrie journey started in 2003 when her eldest child started long day care at the Quarry Street Child Centre. Both of Leisa's children attended Quarry Street, giving her a strong commitment to high quality early childhood education and care. She joined the Board in 2007, serving as Secretary in 2010 and Chair since November 2010.

Leisa held the role of Chair of Lady Gowrie Qld Board of Management for 9 years. During her term as Chair the organisation saw significant growth with a series of strategic decisions and on boarding of new services and staff.



Our Board of Management

Chairperson - Mr Ronnie Lake

Vice Chairperson - Ms Kylie Kluger

Treasurer - Ms Julia Fenech

Secretary - Ms Shona Vasani

Mr Ronnie Lake

Ms Sarah Black

Ms Kylie Kluger

Ventura Caso

Ms Julia Fenech

Joy Brown

Ms Shona Vasani

Mia Christensen

Honorary Life Members

Mrs J Lavis OAM

Mr J Tainton

Mr T Thompson

Ms D Le Clercq

The Board of Management thank McCullough Robertson Lawyers and Mr Anthony Whyte of BDO Audit for their ongoing advice.

Lady Gowrie Qld acknowledges past and present members of the Board of Management, Chief Executive Officers and Executive Directors for their contribution to the Organisation and Early Childhood in Queensland across the past 80 years.

Board of Management Profiles

Ronnie Lake



Ronnie is a Risk Manager with over 20 years working in risk and governance roles across the not for profit, government, telecommunications, defence, manufacturing and management consulting sectors.

Ronnie is a Member of the Australian Institute of Company Directors (MAICD), and the Governance Institute of Australia (MGIA). Ronnie has post graduate qualifications in science and executive leadership and is currently completing a post graduate qualification in applied risk management through the Governance Institute of Australia.

Ronnie has broad risk, governance and process improvement experience which he uses to help organisations to understand their risks and ultimately meet their strategic goals.

November 2018

Kylie Kluger



Kylie Kluger is a communications professional, with 20 years experience in media and public affairs.

She spent a decade as a producer and broadcast journalist with news agencies including Al Jazeera, BBC World, Sky News and WIN Television. Since 2007, Kylie has worked with corporate, government and not-for-profit organisations, at both local and national levels, on media liaison, community engagement, publication management and events.

Kylie has a specialist interest in Aboriginal and Torres Strait Islander affairs and has worked with organisations including Reconciliation Australia and the Healing Foundation on public education campaigns and reconciliation in action. She also has a keen interest in the not-for-profit sector and is passionate about social inclusion and equality-particularly in early learning settings.

April 2017

Julia Fenech



Julia is a chartered accountant and finance professional with over 20 years experience in Australia and London. Julia has a commercial background, predominantly in the energy sector, with a focus on budgeting and forecasting, corporate reporting and process improvement. She also has a passion for being involved with not-for-profit organisations, having volunteered on Committees in the Arts and Education sectors, including her children's own Lady Gowrie affiliated kindergarten.

November 2018

Shona Vasani



Shona Vasani is a solicitor with over 15 years commercial legal experience.

Shona commenced her career in private practice at Corrs Chambers Westgarth. She then worked in London for various organisations including Taylor Wessing, General Electric Commercial Finance and Interoute Communications Limited. Shona returned to Brisbane in 2014 and is working as Legal Counsel at Telstra.

Shona has broad corporate and commercial experience and has worked closely with organisations on issues involving regulatory compliance.

Shona's qualifications include a Bachelor of Business Management, Bachelor of Laws with Honours and a Graduate Diploma in Professional Legal Education and Training programme. Shona is a member of the Queensland Law Society and a member of the Solicitors Regulation Authority (England and Wales).

2018

Sarah Black



Sarah comes to the Lady Gowrie Queensland Board of Management with a 15 year history as an Executive in hospitals and healthcare, leading medical, nursing and aeromedical teams in both the private and not-for-profit sectors. More recently, Sarah has spent extensive time working with the rural sector in the area of junior medical training and nursing workforce with significant involvement in Aboriginal and Torres Strait Islander healthcare. Sarah is currently the Chief Nursing Officer with the Royal Flying Doctor Service.

Sarah has two young children who attend the Long Day Care program at the Lady Gowrie Love Street Centre.

April 2017

Mia Christensen



I have been a teacher for the past 25 years and I have taught within urban, regional, and remote Aboriginal communities, across Queensland, Western Australia and the Northern Territory. These experiences are reflected within my daily teaching, planning and assessment cycles that demonstrate inquiry-based approaches to both learning and teaching. For the past 12 years, I have worked at the Queensland University of Technology (QUT) in the Faculty of Education, in the School of Early Childhood and Inclusive Education (SECIE). During this time, my teaching has been focussed on providing pre-service teachers both in undergraduate and graduate courses, in early childhood and primary contexts, with strong foundations in teaching science and health and physical education through the implementation of appropriate pedagogical approaches.

April 2020

Joy Brown



Joy has extensive experience in corporate governance, internal audit, risk management, process improvement, project management and operational reviews. She has worked across a number of segments, including energy and mining, healthcare, private sector clients, transportation and utilities as well as financial services and logistics.

Joy has over 15 years experience establishing and managing internal audit and risk management functions for both top tier listed companies, state government-owned corporations and working with a diverse range of Boards (audit and risk management committees). She brings a wealth of experience in corporate governance, internal audits, risk management, process improvement, project management and ethics.

Joy commenced her career at Pricewaterhouse Coopers. She then worked for Minter Eliison Layers, Ernst and Young, Downer EDI, Firstmac Limited and Rio Tinto Limited.

Joy is member of the Australian Institute of Company Directors, CPA and Institute of Internal Auditors. She holds a Bachelor of Commerce and Bachelor of Business Management from the University of Queensland.

February 2020

Ventura Caso



Ventura is a corporate finance professional with over 15 years experience.

He was involved in Mergers and Acquisitions, valuation, business modelling, and other corporate finance engagements in both Italy and Australia.

Key areas of expertise include financial and strategic analysis; business modelling and business valuations. Ventura completed corporate finance engagements for private, public, national and multinational clients across several industries, including infrastructure, agribusiness, resources and power and utilities.

April 2020

Lady Gowrie Community Kindergartens

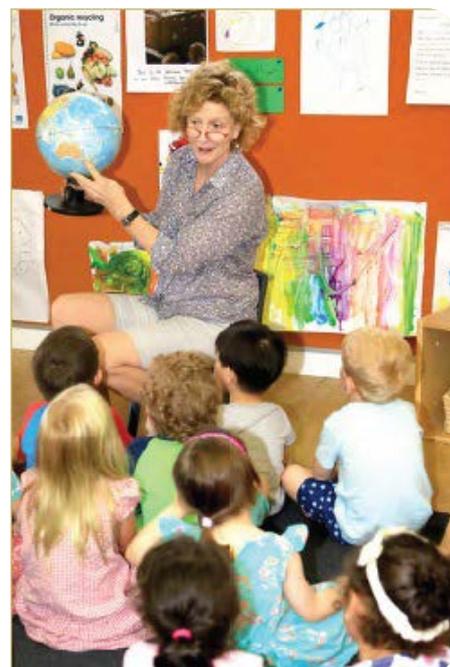
In 2020 we were privileged to work alongside and support colleagues, families and children of Community Kindergartens.

2020 will be remembered for the unprecedented challenges faced due to COVID-19, however it was a year which saw the true spirit on which Community Kindergartens were founded come to the fore, service teams were responsive, flexible, innovative and true leaders of their communities. Whilst the path ahead of them was unknown at many times, the vision and purpose of supporting the needs of children and families and providing a safe space where the delights of early childhood could unfold remained their focus. For many communities their early childhood spaces became a place of reassurance and the barometer, that together, we would get through challenges, and share our strengths.

Thank you, to each individual staff member, committee member, child and family that made the work of Community Kindergartens possible in 2020.

To our Central Governing Body Team, led by Fleur Cossey as General Manager, our ECEC Co-ordinators, administration, operations, finance, facilities and funding streams. Thank you for the individual and collective roles that you undertook in supporting our Member Services.

In term two, 2020 we saw the dual delivery of kindergarten programs with children of essential workers and vulnerable families attending onsite and many children and families undertaking continued learning from home. We acknowledge and thank the Department of Education for the significant contribution of funding during term two to support the ongoing operation of services during the global pandemic, resources and guidance which was shared in regards to delivery of a continued learning from home program. Services were innovative in their approach of selecting what was best suited for their individual community which may have included sharing of ideas for learning through play at home via email or digital documentation platforms – including staff creating videos of stories, songs and experiences so that these were available at any time for families, live interactive sessions on video meeting platforms, resources posted out to families or available for pick up from the Service, links to suitable online learning opportunities such as storybooks, museum tours and marine life information when extending on interests that had been discussed earlier in the year at the Service. Thank you to those services that provided the opportunity in supporting those students studying in our sector with practicum placements taking the format of joining online sessions with children or staff teams.



Lady Gowrie Community Kindergartens continued

As a Central Governing Body we drew on the Lady Gowrie Qld's Hope for the Future- Recovery Post Covid-19 Report (Dr Amanda McFadden) and initiated dedicated work groups to focus on recovery through Targeted Programs, Daily Rebels, targeted Transition Approaches and Capability Frameworks.

In 2020 we recognise the support of the Department of Education in relation to the Kindergarten Inclusion Support Scheme (KISS). KISS is administered through Lady Gowrie Qld as the CGB and saw support for 66 Services and 194 individual children and their families with their applications being successful under the funding guidelines. We recognise the ongoing commitment of all services, in their support of the overall service team to provide a program which is inclusive and responsive to the needs of children and families in their community.

We acknowledge and thank the following staff for their contributions to these resources and their implementation across 2020. Dr Amanda McFadden, Dr Lisa Sonter, Fleur Cossey, Helene Hodgson, Lisa Kidd, Marena Matthews, Vanessa Wratten and Sue Southey.

In supporting the ongoing learning of service teams, the quarterly newsletter Gowrie Connections took the approach of having a key theme for each edition highlighting 'embedded practice', 'leadership in services', 'supporting wellbeing of our service communities' and 'connecting with the community'.

Professional learning transitioned to being delivered via video conferencing platforms and networking opportunities through 'network meetings' and 'evenings with' included the opportunity to explore topics such as child rights, executive functioning, self-regulation, leading and learning together, wellbeing for both children and staff, transitioning, ethical decision making, educational leader, leadership, connecting to culture and the role of critical reflection.

The CGB Team and Services continued to implement and respond to changes under the NQF such as the Transportation of Children Policy and new format of remote monitoring visit by the Regulatory Authority and the Assessment and Rating process, with a dual process of the Authorised Officer visiting onsite and meeting via video conferencing platforms. Congratulations to all services that undertook the Assessment and Rating process during 2020.

Thank you again to all Services including Committees for their ongoing work and support of children, families and communities. We look forward to continuing to work with everyone in the coming year.



Gowrie Australia

Gowrie Australia is known for its strong advocacy for children and families and is invited to share a role of advocacy on national forums.

The Chief Executive Officer's of each state based Gowrie take it in turns to take on the role of Convenor for Gowrie Australia.

Each state based Gowrie is a separate entity, however because we share the Gowrie name along with a similar vision, there is a commitment from the Gowrie Boards and Chief Executive Officer's to ongoing support and collaboration.

Evidence of this is the Gowrie publication "Reflections". The Federal Government Department of Education, Employment and Workplace Relations provided funding to support the national distribution of this publication to the wider education and care sector, including Aboriginal services, rural and remote services, kindergartens and prep.

Reflections can be downloaded for free on each Gowrie website.

Beyond the publication, the Gowrie connection has resulted in continued professional dialogue and sharing between each Chief Executive Officer, Managers and Educators, throughout the year. With relationships firmly established, the sharing of knowledge and experience is a regular occurrence. There have been meetings and regular visits to Gowrie (QLD), to view and experience new ideas, pedagogy and business systems and processes.

Gowrie services are run in the states of Queensland, New South Wales, South Australia, Victoria, Western Australia and Tasmania. There are 'friends' of the Gowrie Australia in both Canberra and the Northern Territory.



Recognising our People

10 Years +

Teboni Blair
Milica Bursac
Sharlene Chapman
Rose Cloherty
Kerry Cox
Centeine Crawford
Matthew De Zoete-Baker
Elizabeth Eaton
Barbara Hall
Melissa Harries
Kim Hawken
Colleen Jamesion
Peta Kerwin
Julie Kim
Melissa Lee
Robyn Little
Stephanie Lund
Natasha Matthews
Karen Nipperess
Debra Okane-Jackson
Estelle Poulter
Lynelle Remington
Thecel Richardson
Barbara Sagigi
Manan Samai
Kirsty Schmal
Cissie Warrior
Vanessa Wratten

15 Years +

Cassandra Bell
Fleur Cossey
Danielle BinDoraho
Louise Jackson
Lisa Kidd
Charlotte de Silva
Megan Laraghy
Rebecca Leach
Samantha Leach
Julie Moon
Tracy Nash
Melissa Stringer
Jaclyn Ware

20 Years +

Lori Douglas

25 Years +

Peter Audas
Annette Holt
Margarita Pahl
Sharron Palmer
Debbie Verstege

30 Years +

Vicki Bennett
Juliann Bowie
Michelle Yeoman

Thank you to all staff, including the very important relief and casual pool.

Strategic Plan 2020 - 2022

Vision:

For Queensland children to thrive in enriched and nurturing learning environments.

Purpose:

We provide high-quality, affordable early education and care and support families in their parenting role. We promote the value of early childhood education and care and provide access for children and families from all cultures, circumstances and backgrounds.

Values:

Excellence • Inclusion • Engagement • Integrity

Service



Engagement



People



Sustainability



GOALS

Deliver exceptional, engaging and enriching ECEC for Queensland children and families.

Recognised as a leader, trusted expert and advocate for ECEC and sector collaborator.

Attract and retain a highly motivated and valued workforce.

Generate profit for purpose to benefit children, families and communities.

ACTIONS

- Continuously improve our services and programs based on latest research, data and family and community feedback.
- Continue to pursue partnerships that bring services and programs to regional or disadvantaged communities.
- Embed the highest levels of professionalism in all of our services and programs.
- Advocate for respectful, socially- just play-based early years learning and harness synergies with like-minded stakeholders.
- Continue to collaborate with our affiliates to ensure mutually beneficial and valued services.
- Share our research findings to improve quality outcomes for children, families and communities.
- Inspire diverse, contextually responsive leading and learning teams.
- Provide opportunities for career progression, continue to develop, recognise and reward our people and support their wellbeing.
- Promote the culture of Lady Gowrie to attract the best talent.
- Develop and implement innovative and sustainable models for growth including acquisitions, long day care affiliates and managed services.
- Improve service efficiency and increase occupancy.
- Build and promote the Lady Gowrie brand.



Educational Strategy:

Enriching professional praxis (pedagogy and practice)

Pedagogical Leadership

- Advocating for respectful socially just, play based pedagogies for young children
- Inspiring diverse contextually responsive leading and learning teams
- Raising the professional identity of the Gowrie workforce

Research Informing Practice

- Informing programs and practices through evidence based approaches
- Implementing a culture of inquiry for Gowrie professionals
- Sharing research findings to improve quality outcomes for children, families and communities

Birth To Threes

- Promoting the critical nature of the first 1000 days
- Amplifying the significance and complexity of working with young children
- Elevating quality environments and relationships to support young children to thrive



Key Investment:

Professional learning and leadership enhances respectful, ethical practice



Key Outcomes:

- **Exceptional, ethical Gowrie professionals**
- **Enriching children's and families' outcomes through respectful relationships and evidenced informed programs and practices**
- **Engaging, inclusive, playful environments and programs**

Risk Statement

Lady Gowrie Queensland (LGQ) provides high-quality, affordable early education and care and support to families in their parenting role. We promote the value of early childhood education and care and provide access for children and families from all cultures, circumstances and backgrounds.

We are a not-for-profit organisation with a history of more than 80 years of working in the community. With our affiliates, LGQ provide services to more than 6000 families and children a week from as far north as Thursday Island, west to Blackall and south to Coolangatta.

General statement of appetite

LGQ recognises that we are exposed to certain risks due to the nature of our activities and the increasingly uncertain environment in which we operate.

Risks occur in numerous ways and have the potential to impact early childhood education outcomes, financial performance, reputation, health and safety, community and the overall performance of LGQ. Risk management is integral to all aspects of the organisation's activities and is the responsibility of all staff.

Aligned with our strategic plan this statement identifies the most significant risks to which LGQ is exposed and provides an outline of our approach to managing those risks.

The Risk Management Framework

LGQ has a comprehensive, integrated and effective Risk Management Framework to ensure there is an effective process in place to manage risk across the organisation. The framework comprises:

- Risk Appetite Statement
- Risk Management Policy
- Risk Matrix
- Risk Register.

The Board is responsible for setting the culture for risk management and approving the framework.

Coverage

Key risks to the achievement of our strategic goals, controls and mitigating actions are described below.

Service

Compliance and regulation

Our goal to deliver exceptional, engaging and enriching ECEC for Queensland children and families requires compliance with the National Quality Framework and relevant regulation. Non-compliance may result in loss of government service agreements.

A comprehensive suite of policies, procedures, and compliance plans provide the controls to help manage compliance obligations and reduce breaches in statute, regulation, professional standards, ethics, bribery, fraud or compromises to child welfare.

Engagement

We place great importance on minimising the possibilities that any of our activities could put our high reputation in jeopardy, lead to undue adverse publicity, or could lead to loss of confidence by parents and staff, the Department of Education and other stakeholders and the broader community.

We practice good governance by engaging in ethical decision making and management and avoiding practices that erode long-term value creation for the organisation and its members.

Unexpected changes to regulatory quality standards and government funding arrangements have the potential to affect our goal to be recognised as a leader, trusted expert and advocate for ECEC and sector collaborator.

We continue to scan the horizon and maintain close working relationships with government and sector stakeholders to ensure we are forewarned and equipped to adapt to change.

People

Health and safety and wellbeing

The health, safety and wellbeing of the children and families who use our services and our dedicated staff is paramount. We have zero tolerance for preventable risks including negligent, deliberate or purposeful violations of health and safety requirements and have strict controls in place to remove or eliminate hazards. All employees are inducted in relevant policies and procedures.

Risk Statement continued

We have a range of controls in place to reduce or mitigate strategic and operational risks including:

- comprehensive and timely remedy and reporting of any breach incidents or near misses
- all employees and contractors are required to hold appropriate training or qualifications required under National Quality regulations, Child Safety and Workplace Health and Safety legislation.

Attraction and retention

We appreciate that our dedicated staff contribute to our success and that our ongoing success relies very much on our ability to attract and retain a highly motivated and valued workforce.

The projected national shortfall in early childhood teachers and difficulties in attracting qualified staff in regional Queensland are potential risks that could impede the ongoing achievement of this goal.

We provide incentives for our staff who work in rural and remote areas of Queensland and have well documented policies and procedures to share corporate knowledge and mitigate against key personal retention risks.

Sustainability

External factors such as economic and geopolitical conditions, changing local demographics, severe weather or health events all have the potential to affect our ability to meet our goal to generate profit for purpose to benefit children, families and communities.

We aim to maintain the long-term financial viability of the organisation. In seeking to be an agile organisation that can adapt quickly to change or unforeseen circumstances we constantly monitor and review our performance against agreed targets and indicators and ensure that we have the capabilities and organisational structure to optimise performance.

We seek to understand the implications of changing demographics by monitoring supply and demand across our centres.

While LGQ has limited resources available for investment in business improvements or to respond to increased or new competition we prioritise investment in ensuring we have the best possible facilities and resources, and staff.



Financial Report



As with many organisations, the 2020 financial year for Lady Gowrie Qld (LGQ) was largely characterised by the significant financial and operational impacts presented by the COVID-19 global pandemic. The economic uncertainty and instability

resulting from the pandemic introduced unprecedented challenges and risks for the organisation and the Early Childhood Education (ECEC) sector as a whole. This necessitated an immediate shift in focus for the Board and Management of LGQ to ensure the continued viability of the organisation.

Being a strong advocate for the ECEC sector, Lady Gowrie, led by its CEO, Louise Jackson, was considered a valued strategic consultative party with many government bodies during this period. This positioning aided in securing favourable funding packages for the organisation and for the sector as a whole, which provided financial protection for The Gowrie from otherwise untenable consequences. This outcome, along with strong operational management and the incredible commitment of its employees, ensured that, despite the extraordinarily challenging and uncertain circumstances, the financial impacts were minimised through the period.



To this end, LGQ finished the financial year in a strong position, with a cash balance of \$2.67M and having generated a surplus for the year of \$1.48M. Whilst this is an incredible outcome during what was an extremely difficult period, it is not a true reflection of the underlying performance of the organisation. Included in this financial result was \$3.8M of government stimulus and childcare assistance funding to compensate for the sudden and significant drop in attendance numbers and to enable the retention of staff during the pandemic. LGQ is extremely proud that it maintained its high quality of service and retained its highly valued employees during this period.

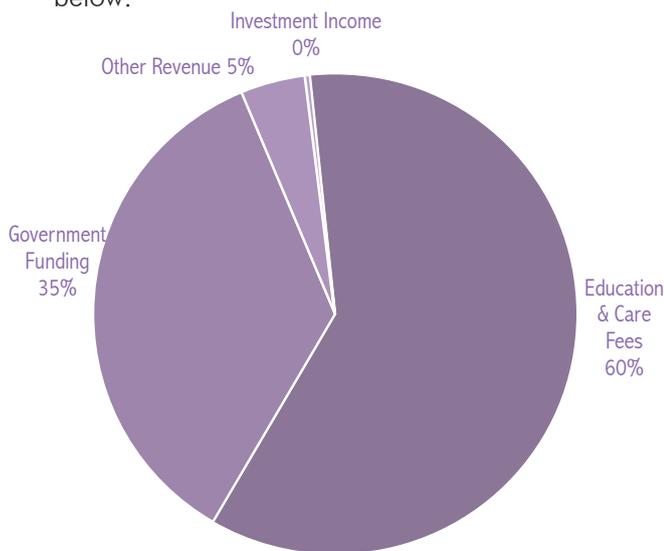
Key performance information is discussed below to highlight the operating activities experienced by the organisation during the year:

- As a Central Governing Body, LGQ successfully distributed funding of \$22.7M to, and experienced a near 100% retention rate of, its 92 Affiliated Kindergartens and the Volunteer Management Committees we partner with
- Funding and utilisation of the Kindergartens and Long Day Care Centres remained stable, having been sheltered by the assistance of the government Child Care Relief packages and COVID-19 Top-Up QKFS Funding
- Funding and utilisation in our more vulnerable regions, including the Early Years Place in Caboolture and Thursday Island service, also remained stable, demonstrating clear government support and community need for these services
- The Townsville property was sold in February 2020 for \$350,890, representing a loss of \$2,330, following a 12-month sale period
- Towards the end of 2020, LGQ closed its Waratah service following more than two years of low attendance numbers and unviable financial performance. Significant efforts were made to continue the provision of the service, particularly given The Gowrie's strong commitment to regional Queensland. Whilst the government's Job Keeper package had the benefit of prolonging the service during 2020, it was deemed to be unsustainable beyond this. The Gowrie would like to recognise the efforts of the Waratah staff during their period of service
- Additional investment in staff and resources of \$1.5M across the 2020 financial year

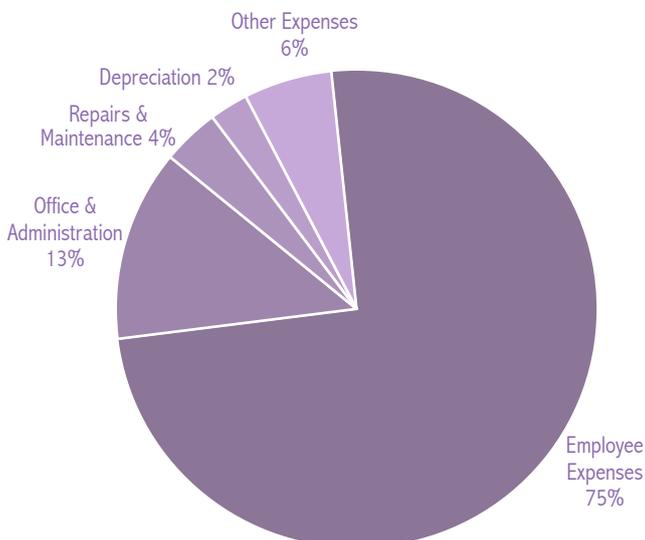
Financial Report continued

Key financial information is discussed below:

- Operating revenue was \$15.6M in 2020. Whilst this represented a 7% decrease compared to 2019, the decline was offset by the COVID-19 funding packages. Operating revenue was predominantly generated from Education & Care Fees, representing 60% of income; whilst 35% was being derived from Government Funding. Further information is provided below:



- Operating expenditure was \$17.9M in 2020, representing a 5% increase compared to 2019. At 75% of operating expenditure, Employee Expenses continued to represent the largest cost of the organisation, but also included Job Keeper top-up payments to employees during 2020. At 13%, the second largest cost of Central Office and Administration remained relatively consistent. Further information is provided below:



Whilst The Gowrie has entered this current year in a strong cash position, the Board and Management are mindful of the impact that sector and funding changes within State and Federal governments, increasing market competition in the Long Day Care sector and lower Kindy enrolment numbers across the State, will have on the organisation's continued sustainability. As a result, The Gowrie is focused on ensuring its business model is optimised, that its influence across the sector is further extended to ensure favourable representation of the organisation and its Affiliates, that utilisation at services is maximised and that services performing below desired levels are closely monitored and managed appropriately. Additionally, operating costs, including central office, continue to be monitored and rationalised where possible without jeopardising the quality of the care and education that we are providing and the support of our number one asset, being our staff.

In line with its strategic objectives, the Board and LGQ Management will continue to consider investment opportunities that prioritise strategic reinvestment and maximise the benefits for children and families while maintaining sustainable growth.

As always, we value and are very thankful for the continued funding and support of all tiers of government, the partnerships of key stakeholders in the communities we work within, the commitment of our Board of Management, and the passion and dedication of our staff to the success of Lady Gowrie QLD.



Lady Gowrie Qld Financial Statements



From Jan to December 2020

33 Brookes Street, Bowen Hills, Brisbane.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Contents	Page
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-16
The Board of Management's Declaration	17
Independent Auditor's Report	18-19

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 DECEMBER 2020

	31 December	31 December
	Note	2019
		2019
		\$
		\$
	<i>Note</i>	
Revenue	2	15,587,687
Other income	3	3,838,797
Employee expenses	4	(13,396,300)
Repairs and maintenance expense		(692,856)
General office and administration		(2,320,739)
Depreciation and amortisation expense	4	(466,261)
Other expenses	4	(1,064,313)
Surplus (deficit) before income tax		<u>1,486,015</u>
Income tax expense		-
Surplus (deficit) for the year		<u>1,486,015</u>
Other comprehensive income		
Items that will not be reclassified to surplus for the year:		
- Depreciation expense		(11,541)
Total comprehensive income for the year		<u><u>1,474,474</u></u>
		<u><u>(216,321)</u></u>

The accompanying notes form part of this financial statement.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	31 December	31 December
	Note	2019
		2020
		\$
		\$
CURRENT ASSETS		
Cash assets	5	2,672,691
Receivables and prepayments	6	624,480
Inventories		41,117
Land and Buildings held for sale	14	-
TOTAL CURRENT ASSETS		<u>3,338,288</u>
NON-CURRENT ASSETS		
Property, plant and equipment	7	9,043,875
TOTAL NON CURRENT ASSETS		<u>9,043,875</u>
TOTAL ASSETS		<u>12,382,163</u>
CURRENT LIABILITIES		
Payables	8	1,116,165
Provisions	9	1,171,422
Borrowings	10	1,439,317
TOTAL CURRENT LIABILITIES		<u>3,726,904</u>
NON CURRENT LIABILITIES		
Provisions	9	228,542
Borrowings	10	1,137,906
TOTAL NON CURRENT LIABILITIES		<u>1,366,448</u>
TOTAL LIABILITIES		<u>5,093,352</u>
NET ASSETS		<u>7,288,811</u>
EQUITY		
Reserves	11	344,057
Accumulated surplus		6,944,754
TOTAL EQUITY		<u>7,288,811</u>

The accompanying notes form part of this financial statement.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31 DECEMBER 2020

	Note	Accumulated Surplus \$	Reserves \$	Total \$
Balance at 1 January 2019		<u>5,579,729</u>	<u>367,139</u>	<u>5,946,868</u>
Adjustment on initial application of AASB 1058 "Income of Not-for-Profit Entities"		83,790	-	83,790
Comprehensive income				
Deficit for the year		(204,780)	-	(204,780)
Other comprehensive income for the year	11	-	(11,541)	(11,541)
Total comprehensive income		<u>(204,780)</u>	<u>(11,541)</u>	<u>(216,321)</u>
Balance at 31 December 2019		<u>5,458,739</u>	<u>355,598</u>	<u>5,814,337</u>
Comprehensive income				
Surplus for the year		1,486,015	-	1,486,015
Other comprehensive income for the year	11	-	(11,541)	(11,541)
Total comprehensive income		<u>1,486,015</u>	<u>(11,541)</u>	<u>1,474,474</u>
Balance at 31 December 2020		<u>6,944,754</u>	<u>344,057</u>	<u>7,288,811</u>

The accompanying notes form part of this financial statement.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2020

	Note	31 December 2020 \$	31 December 2019 \$
<u>Cash flows from/(used in) Operating Activities</u>			
Receipts from customers and government grants		15,667,105	16,930,525
Payments to suppliers, employees and others		(13,355,797)	(16,537,449)
Interest received		48,838	103,122
Interest paid		<u>(121,160)</u>	<u>(149,622)</u>
Net cash from operating activities	5	<u>2,238,986</u>	<u>346,576</u>
<u>Cash flows (used in)/ from Investing Activities</u>			
Purchases of plant and equipment		(220,437)	(134,478)
Proceeds from sale of property plant and equipment		<u>394,673</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>174,236</u>	<u>(134,478)</u>
<u>Cash flows (used in)/ from Financing Activities</u>			
Repayment of borrowings, net of proceeds		(241,927)	(290,967)
Net cash used in financing activities		<u>(241,927)</u>	<u>(290,967)</u>
Net (decrease)/increase in cash		2,171,295	(78,869)
Cash at the beginning of the financial year		501,396	580,265
Cash at the end of the financial year	5	<u>2,672,691</u>	<u>501,396</u>

The accompanying notes form part of this financial statement.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 1 - Statement of Significant Accounting Policies

The financial statements are for The Gowrie (Qld) Inc. (the Entity) as an individual entity, incorporated and domiciled in Australia. The Gowrie (Qld) Inc. is a not-for-profit charitable institution.

Basis of preparation of financial report

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Religious, Educational and Charitable Institutions Act 1861 - 1967 and the Australian Charities and Not-for-profits Commission Act 2012 (*ACNC Act 2012*). The Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Due to the application of Australian specific provisions for not-for-profit entities contained only within AIFRS the financial statements and notes thereto are not necessarily compliant with all International Financial Reporting Standards.

Material Accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business conditions and the realisation of assets and discharge of liabilities in the ordinary course of business.

The directors consider it appropriate to prepare the financial statements on a going concern basis at 31 December 2020 after taking into consideration that The Gowrie's operations are currently cashflow positive and The Gowrie has sufficient capital to maintain core operations for at least the next twelve months.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 1 - Statement of Significant Accounting Policies (Cont)

Business combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements. The acquisition date is the date on which control of the acquiree is obtained.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred over fair value of the identifiable net assets acquired. If the consideration is less than the fair value of the net identifiable assets acquired, the difference is recognised in surplus or deficit as a gain on the acquisition of a business, but only after a reassessment of the identification and measurement of the net assets acquired.

Acquisition-related costs are expensed when incurred.

Income tax

The Entity is a registered charitable institution which is exempt from the payment of company income tax under section 50-5 of the *Income Tax Assessment Act 1997*. No provision for income tax has been raised.

Revenue

Revenue from contracts with customers is recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations. However, where there is a difference, it will result in the recognition of a receivable, accrued income or income in advance.

Revenue streams which are not enforceable or do not have sufficiently specific performance obligations are recognised as revenue at the fair value of the asset received when the asset is received. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when each performance obligation is satisfied. Where the performance obligation is satisfied over time, generally the revenue is recognised based on either cost or time incurred. Capital grants received under an enforceable agreement to enable the Association to acquire or construct an item of property, plant and equipment which will be controlled by the Association (once complete) are recognised as revenue when the obligation to construct or purchase is completed.

All revenue is stated net of the amount of goods and services tax.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 1 - Statement of Significant Accounting Policies (Cont)

Financial Assets and Financial Liabilities

Cash

For the purposes of the statement of cash flows, cash assets includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. At call deposits are subsequently measured at amortised cost using the effective interest rate method.

Receivables

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the “expected credit loss” (ECL) model.

Payables

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

Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis, less accumulated depreciation and accumulated impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by board of management to ensure it is not in excess of the recoverable amount from these property, plant and equipment. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the property, plant and equipment employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 1 - Statement of Significant Accounting Policies (Cont)

Depreciation of property, plant and equipment

The depreciable amount of all fixed assets including buildings is depreciated on a straight line basis over the asset's expected useful life to the Entity commencing from the time the asset is held ready for use.

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

Building improvements	2% to 20%
Office furniture and equipment	3% to 33%

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

Asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the surplus or deficit included in the statement of comprehensive income.

Capital works in progress are valued at cost. Capital works in progress are not depreciated until the asset has been completed and ready and available for use by the Entity.

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 1 - Statement of Significant Accounting Policies (Cont)

Employee Benefits

Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. Employee benefits that are expected to be settled within one year have been measured at amounts expected to be paid when the liability is settled.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the liability, consideration is given to employee wage and salary levels and increases, experience of employee departures, periods of service and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Superannuation

Contributions are made by the Entity to a superannuation fund and charged as expenses when incurred.

Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed as incurred.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 1 - Statement of Significant Accounting Policies (Cont)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Impairment of assets

At each reporting date, the Entity assesses whether financial assets carried at amortised cost are "credit-impaired". A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs are expensed in the period in which they are incurred.

Accounting standards issued but not yet effective

At the date of authorisation of the financial statements, certain New Accounting Standards and Interpretations were in issue but not yet effective. These New Accounting Standards and Interpretations have not been adopted in the preparation of these financial statements and are not expected to have a material impact on initial application. Where applicable, the Entity expects to first apply these New Accounting Standards and Interpretations in the financial statements of the Entity relating to the annual reporting period beginning after the effective date of each pronouncement.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 2 - Revenue

	31 December 2020 \$	31 December 2019 \$
Grants and subsidies	5,495,742	5,241,150
Fees and levies	9,366,517	10,650,814
Other revenue	676,590	905,290
Interest received	48,838	103,122
	15,587,687	16,900,376

Queensland Kindergarten Funding Scheme ('QKFS')

The Gowrie (QLD) Inc is eligible to receive subsidies from the Department of Education and Training ('DET') under the QKFS based on the number of children enrolled in the approved kindergarten program. The funding provided includes a per child subsidy as a contribution towards the cost of delivering the program and other subsidies to reduce the cost of kindergarten for eligible families. These subsidies are paid by DET to The Gowrie (QLD) Inc and distributed by The Gowrie (QLD) Inc to branch and affiliate member services. In the financial year, The Gowrie (QLD) Inc received \$22,753,939 (2019: \$19,187,715) in QKFS subsidies from DET.

QKFS subsidies for branch services are brought to account as income as branch services are owned and controlled by The Gowrie (QLD) Inc. QKFS subsidies for affiliate services are not brought to account as income as these services are not owned or controlled by The Gowrie (QLD) Inc.

Note 3 - Other income

	31 December 2020 \$	31 December 2019 \$
COVID support - Jobkeeper	3,378,749	-
COVID support - Transition Payments	460,048	-
	3,838,797	-

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 4 - Expenses	31 December 2020 \$	31 December 2019 \$
Surplus before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Property, Plant and Equipment	466,261	523,156
	<u>466,261</u>	<u>523,156</u>
Employee expenses		
Salaries, wages and provisions	12,270,266	11,466,973
Superannuation	1,126,034	1,029,019
	<u>13,396,300</u>	<u>12,495,992</u>
Other expenses		
Travel and accommodation	263,175	372,678
Domestic expenses	485,170	451,142
Finance costs	121,160	149,622
Other expenses	194,808	210,826
	<u>1,064,313</u>	<u>1,184,268</u>

Note 5 - Reconciliation of surplus to net cash from operating activities

	31 December 2020 \$	31 December 2019 \$
Surplus (deficit) for the year	1,486,015	(204,780)
Depreciation expense	466,261	523,156
Changes in assets and liabilities:		
Decrease in inventories	(35,661)	(231)
(Increase)/Decrease in trade and other receivables	115,079	133,271
Increase/(Decrease) in trade and other payables	200,663	(31,527)
Increase/(Decrease) in employee entitlements and other provisions	6,629	(73,313)
Cash flow (used)/provided by operating activities	<u>2,238,986</u>	<u>346,576</u>
Cash for purposes of statement of cash flows:		
Cash on hand	-	-
Cash in bank	2,672,691	501,396
	<u>2,672,691</u>	<u>501,396</u>

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 6- Receivables and prepayments	31 December 2020 \$	31 December 2019 \$
Trade and other receivables	319,719	407,394
Prepayments	279,841	296,085
GST receivable	24,920	36,080
	<u>624,480</u>	<u>739,559</u>

Note 7 - Property Plant and Equipment

	Freehold land and buildings and improvements \$	Furniture, fittings and equipment \$	Right of use assets \$	Total \$
At 31 December 2019				
Cost	10,905,545	1,798,389	252,072	12,956,006
Accumulated depreciation	(2,067,210)	(1,414,840)	(106,718)	(3,588,768)
Net book amount	<u>8,838,335</u>	<u>383,549</u>	<u>145,354</u>	<u>9,367,238</u>
At 31 December 2020				
Cost	10,773,502	1,587,710	298,137	12,659,349
Accumulated depreciation	(2,181,367)	(1,230,206)	(203,901)	(3,615,474)
Net book amount	<u>8,592,135</u>	<u>357,504</u>	<u>94,236</u>	<u>9,043,875</u>
Period ended 31 December 2020				
Opening net book amount	8,838,335	383,549	145,354	9,367,238
Additions	40,233	134,139	46,065	220,437
Disposals	(42,333)	(35,206)	-	(77,539)
Depreciation charge	(244,100)	(124,978)	(97,183)	(466,261)
Closing net book amount	<u>8,592,135</u>	<u>357,504</u>	<u>94,236</u>	<u>9,043,875</u>

Note 8 - Payables	31 December 2020 \$	31 December 2019 \$
Trade Creditors	348,265	345,112
Other creditors and accruals	626,051	448,046
Income received in advance	141,849	122,344
GST payable	-	-
	<u>1,116,165</u>	<u>915,502</u>

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 9 - Provisions	31 December 2020 \$	31 December 2019 \$
Current		
Employee Entitlements	1,171,422	1,160,972
	<u>1,171,422</u>	<u>1,160,972</u>
Non Current		
Employee Entitlements	228,542	232,363
	<u>228,542</u>	<u>232,363</u>
Total	<u><u>1,399,964</u></u>	<u><u>1,393,335</u></u>

Note 10 - Borrowings	31 December 2020 \$	31 December 2019 \$
Current		
Borrowings	1,439,317	428,712
	<u>1,439,317</u>	<u>428,712</u>
Non Current		
Borrowings	1,137,906	2,390,438
	<u>1,137,906</u>	<u>2,390,438</u>
Total	<u><u>2,577,223</u></u>	<u><u>2,819,150</u></u>

Borrowings of \$2,480,984 (2019: \$2,671,563) are secured with a first registered mortgage over certain land and buildings owned by The Gowrie (Qld) Inc.

Included in current borrowings is \$1,300,000 that at balance date was repayable during 2021. Subsequent to balance date, the repayment date for the loan was extended a further 12 months.

Note 11 - Reserves	31 December 2020 \$	31 December 2019 \$
Capital reserve - Occasional care centre	344,057	355,598
Capital reserve - Kindergarten capital works	-	-
Asset replacement and improvement reserves	-	-
	<u>344,057</u>	<u>355,598</u>

Capital reserve - Occasional care centre

This relates to \$500,000 from the government to set up the building and land at Quarry Street (Long Day Care Centre).

Opening balance	355,598	367,139
Less: Depreciation expense	(11,541)	(11,541)
Closing balance	<u><u>344,057</u></u>	<u><u>355,598</u></u>

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Note 12 - Related Party Information

Key management personnel of the Entity pertains to the members of the board of management. No board member directly or indirectly received or is due to receive remuneration from the Entity or any related party in connection with the management of the Entity except for the members appointed from staff according to the constitution.

Note 13 - Subsequent Events

No subsequent events have been identified.

Note 14 - Land and Building Held for Sale

	31 December 2020	31 December 2019
	\$	\$
Land and building at cost	<u>-</u>	<u>328,675</u>

During the year ended 31 December 2018 a Townsville property was put on the market. During the year ended 31 December 2020 this property was sold for \$385,000.

Note 15 - Contingent liabilities and assets

In 2015 The Gowrie acquired the Love Street property from the Commonwealth at a discount to market value. Under the Transfer Deed, if The Gowrie changes the use of the property or sells the property, it will be required to pay to the Commonwealth a portion of the difference between the fair value of the property and what The Gowrie has paid in relation to the property.

The building occupied by the Lady Gowrie Dysart service is not recognised in the financial report. Gowrie's right to occupy this building is currently being negotiated and may result in the building being recognised as an asset of The Gowrie.

THE GOWRIE (QLD) INC
A.B.N. 12 226 452 826

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

In the Board of Management's opinion, the financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes:

1. Presents a true and fair view of The Gowrie (Qld) Inc.'s financial position as at 31 December 2020 and of its performance for the year ended on that date, and
2. There are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable

Signed on behalf of the Board of Management



Louise Jackson

CEO



Julia Fenech

Treasurer

Brisbane

12-Jul-21

INDEPENDENT AUDITOR'S REPORT

To the members of The Gowrie (Qld) Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Gowrie (Qld) Inc. (the registered entity), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the board of management' declaration.

In our opinion the accompanying financial report of The Gowrie (Qld) Inc. is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Religious, Educational and Charitable Institutions Act 1861-1967*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of board of management for the Financial Report

The board of management of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the board of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, board of management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of management either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO



A J Whyte
Director

Brisbane, 12 July 2021



Thursday Island After Hours School Care



Australian Government



Matt Birney – Builders