



**Lady Gowrie**<sup>QLD</sup>  
Educating and caring  
for children since 1940




# Financial Report

Extract from Annual Report

2023





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.

# Financial Report Highlights from the Treasurer



## Ventura Caso

The 2022 financial year for Lady Gowrie Qld (LGQ) was largely characterised by the significant financial and operational impacts presented by the post COVID-19 global pandemic. This includes the ongoing gradual return to the workplace by employees, instead of working from home. This has led to a steady increase in enrolments in the 2023 financial year, however still below pre-pandemic levels. Also, the current economic environment leading to higher interest rates has impacted affordability of Early Childhood Education (ECEC) as the adverse impact on household budgets has been highly documented. The economic uncertainty and instability resulting from the pandemic introduced unprecedented challenges and risks for the organisation and the ECEC sector. This has necessitated an immediate shift in focus for the Board and Management of LGQ to ensure the continued viability of the organisation, which has commenced a path to some level of normality, post pandemic.

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 Lady Gowrie Qld 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.

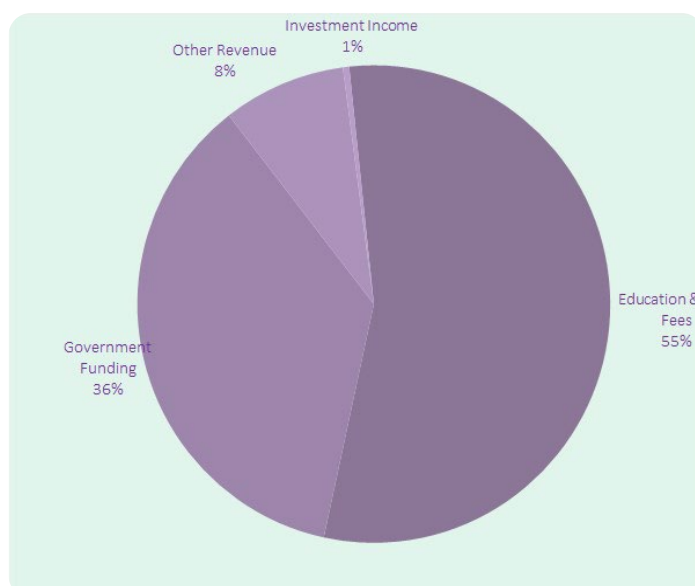
To this end, LGQ finished the financial year, with a cash balance of \$2.65M and having generated a deficit for the year of \$357K. During the year five acquisitions of kindergartens were included. This outcome has been during an extremely difficult period, with improvements occurring in the 2023 financial year. 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 \$19.5M to, and experienced a near 100% retention rate of, its 92 Affiliated Kindergartens and the Volunteer Management Committees we partner with.
- Acquisition of 5 Kindergartens as Lady Gowrie Community Kindergartens in South East Queensland.
- Successful implementation of the Kindy Uplift Pilot across Affiliate and LDC Kindergartens.
- Continued investment in staff above award wages and conditions to support retention across the Organisation.

Key financial information is discussed below:

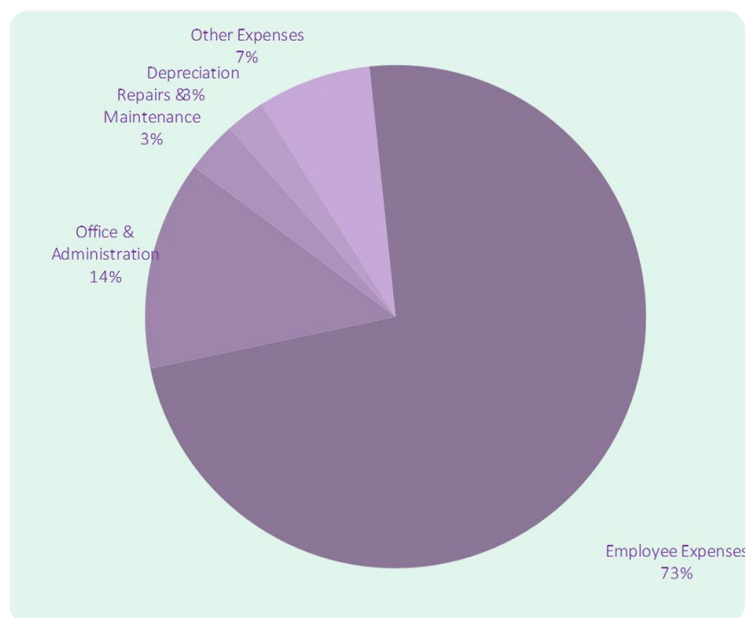
- Operating revenue was \$18.6M in 2022. This represented a 5.9% increase compared to 2021. Operating revenue was predominantly generated from Education & Care Fees, representing 55%, whilst 36% was derived from Government Funding. Further information is provided in this diagram:





## Financial Report *continued*

- Operating expenditure was \$19.2M in 2022. This represented a 6.2% increase compared to 2021. Employee Expenses at 73%, continued to represent the largest cost of the organisation. The second largest cost, Central Office and Administration at 14%, remained relatively consistent. Further information is provided below:



Whilst Lady Gowrie Qld has entered this current year in a strong cash position, the Board and Management are mindful of the impact that industry 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, Lady Gowrie Qld 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 optimised 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 Management will continue to consider investment opportunities that prioritise strategic reinvestment and maximise the benefits for children and families while maintaining sustainable growth.

Lady Gowrie Qld is positioned to positively take on increased funding and initiatives that are forecast in the 2023 financial year.

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 2022

33 Brookes Street, Bowen Hills, Brisbane.



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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

	Note	31 December 2022 \$	31 December 2021 \$
Revenue	2	18,582,439	17,551,644
Other income	3	238,940	1,300,000
Employee expenses	4	(14,069,350)	(13,709,577)
Repairs and maintenance expense		(640,287)	(534,673)
General office and administration		(2,580,151)	(2,328,189)
Depreciation and amortisation expense	4	(485,194)	(472,852)
Other expenses	4	(1,403,172)	(1,009,335)
<b>Surplus (deficit) before income tax</b>		<b><u>(356,775)</u></b>	<b><u>797,018</u></b>
Income tax expense		-	-
<b>Surplus (deficit) for the year</b>		<b><u>(356,775)</u></b>	<b><u>797,018</u></b>
Other comprehensive income			
Items that will not be reclassified to surplus for the year:			
- Depreciation expense	11	(11,541)	(11,541)
<b>Total comprehensive income for the year</b>		<b><u>(368,316)</u></b>	<b><u>785,477</u></b>

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 2022**

	Note	31 December 2022 \$	31 December 2021 \$
<b>CURRENT ASSETS</b>			
Cash assets	5	2,645,178	2,813,150
Receivables and prepayments	6	613,795	362,665
Inventories		34,521	21,929
<b>TOTAL CURRENT ASSETS</b>		<b>3,293,494</b>	<b>3,197,744</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	10,178,340	10,212,515
<b>TOTAL NON CURRENT ASSETS</b>		<b>10,178,340</b>	<b>10,212,515</b>
<b>TOTAL ASSETS</b>		<b>13,471,834</b>	<b>13,410,259</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	1,741,728	1,278,149
Provisions	9	1,473,864	1,280,965
Borrowings	10	287,343	2,355,641
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,502,935</b>	<b>4,914,755</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	9	220,570	233,954
Borrowings	10	2,042,355	187,262
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>2,262,925</b>	<b>421,216</b>
<b>TOTAL LIABILITIES</b>		<b>5,765,860</b>	<b>5,335,971</b>
<b>NET ASSETS</b>		<b>7,705,974</b>	<b>8,074,288</b>
<b>EQUITY</b>			
Reserves	11	320,975	332,516
Accumulated surplus		7,384,999	7,741,772
<b>TOTAL EQUITY</b>		<b>7,705,974</b>	<b>8,074,288</b>

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 2022**

	Note	Accumulated Surplus	Reserves	Total
		\$	\$	\$
Balance at 1 January 2021		6,944,754	344,057	7,288,811
<b>Comprehensive income</b>				
Surplus for the year		797,018	-	797,018
Other comprehensive income for the year	11	-	(11,541)	(11,541)
<b>Total comprehensive income</b>		<u>797,018</u>	<u>(11,541)</u>	<u>785,477</u>
<b>Balance at 31 December 2021</b>		<u><b>7,741,772</b></u>	<u><b>332,516</b></u>	<u><b>8,074,288</b></u>
<b>Comprehensive income</b>				
Surplus for the year		(356,773)	-	(356,773)
Other comprehensive income for the year	11	-	(11,541)	(11,541)
<b>Total comprehensive income</b>		<u>(356,773)</u>	<u>(11,541)</u>	<u>(368,314)</u>
<b>Balance at 31 December 2022</b>		<u><u><b>7,384,999</b></u></u>	<u><u><b>320,975</b></u></u>	<u><u><b>7,705,974</b></u></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 2022**

	Note	31 December 2022 \$	31 December 2021 \$
<b><u>Cash flows from/(used in) Operating Activities</u></b>			
Receipts from customers and government grants		18,318,717	17,832,647
Payments to suppliers, employees and others		(17,778,611)	(17,219,518)
Interest received		79,071	7,841
Interest paid		(111,386)	(93,155)
Net cash from operating activities	5	<u>507,790</u>	<u>527,815</u>
<b><u>Cash flows (used in)/ from Investing Activities</u></b>			
Purchases of plant and equipment		(250,297)	(89,498)
Proceeds from sale of property plant and equipment		-	-
Net cash from/(used in) investing activities		<u>(250,297)</u>	<u>(89,498)</u>
<b><u>Cash flows (used in)/ from Financing Activities</u></b>			
Repayment of borrowings, net of proceeds		(322,892)	(189,460)
Repayment of lease liability		(102,573)	(108,398)
Net cash used in financing activities		<u>(425,465)</u>	<u>(297,858)</u>
Net (decrease)/increase in cash		(167,972)	140,459
Cash at the beginning of the financial year		2,813,150	2,672,691
Cash at the end of the financial year	5	<u>2,645,178</u>	<u>2,813,150</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 2022**

**Note 1 - Statement of Significant Accounting Policies**

The financial statements are for The Gowrie (Qld) Inc. (the Organisation) as an individual Organisation, 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 - Simplified Disclosures 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 Board of Management considers it appropriate to prepare the financial statements on a going concern basis at 31 December 2022 after taking into consideration that The Gowrie's operations are currently cashflow positive and The Gowrie (Qld) Inc. 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 2022**

**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 Organisation 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

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 2022**

**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.

At each reporting date management review a number of factors affecting property, plant and equipment, including their carrying values, to determine if the assets may be impaired. If an impairment indicator exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised as an impairment expense.

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 Organisation 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 2022**

**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 Organisation 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 Organisation.

**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 Organisation 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 2022

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 Organisation 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 Organisation 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 Organisation 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 2022**

**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 Organisation'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 Organisation 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 Organisation expects to first apply these New Accounting Standards and Interpretations in the financial statements of the Organisation 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 2022**

**Note 2 - Revenue**

	31 December 2022 \$	31 December 2021 \$
Grants and subsidies	6,708,670	5,840,964
Fees and levies	10,231,764	10,632,175
Other revenue	1,562,934	1,070,664
Interest received	79,071	7,841
	<u>18,582,439</u>	<u>17,551,644</u>

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 \$19,459,774 (2021: \$19,615,500) 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 2022 \$	31 December 2021 \$
Donation of Dysart leasehold improvements	-	1,300,000
Gain from acquisitions of businesses	238,940	-
	<u>238,940</u>	<u>1,300,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

Note 4 - Expenses	31 December 2022 \$	31 December 2021 \$
Surplus before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Property, Plant and Equipment	485,194	472,852
	<u>485,194</u>	<u>472,852</u>
Employee expenses		
Salaries, wages and provisions	12,837,111	12,528,318
Superannuation	1,232,239	1,181,259
	<u>14,069,350</u>	<u>13,709,577</u>
Other expenses		
Travel and accommodation	457,490	317,283
Domestic expenses	461,416	431,628
Finance costs	111,386	93,155
Other expenses	372,880	167,269
	<u>1,403,172</u>	<u>1,009,335</u>

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

	31 December 2022 \$	31 December 2021 \$
Surplus (deficit) for the year	(356,775)	797,018
Depreciation expense	485,194	472,852
Donation of Dysart leasehold improvements		(1,300,000)
Changes in assets and liabilities:		
(Increase)/Decrease in inventories	(12,592)	19,188
(Increase)/Decrease in trade and other receivables	(251,131)	261,815
Increase/(Decrease) in trade and other payables	463,579	161,987
Increase/(Decrease) in employee entitlements and other provisions	179,515	114,955
Cash flow (used)/provided by operating activities	<u>507,790</u>	<u>527,815</u>
Cash for purposes of statement of cash flows:		
Cash on hand	-	-
Cash in bank	2,645,178	2,813,150
	<u>2,645,178</u>	<u>2,813,150</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

<b>Note 6- Receivables and prepayments</b>	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
Trade and other receivables	263,960	61,638
Prepayments	349,066	303,088
GST receivable/(payable)	769	(2,061)
	<u>613,795</u>	<u>362,665</u>

**Note 7 - Property Plant and Equipment**

	<b>Freehold land and buildings and improvements \$</b>	<b>Furniture, fittings and equipment \$</b>	<b>Right of use assets \$</b>	<b>Total \$</b>
<b>At 31 December 2021</b>				
Cost	12,112,275	1,636,770	561,673	14,310,718
Accumulated depreciation	(2,430,879)	(1,352,299)	(315,025)	(4,098,203)
Net book amount	<u>9,681,396</u>	<u>284,471</u>	<u>246,648</u>	<u>10,212,515</u>

**At 31 December 2022**

Cost	12,261,465	1,879,455	632,357	14,773,278
Accumulated depreciation	(2,714,655)	(1,465,569)	(414,713)	(4,594,937)
Net book amount	<u>9,546,810</u>	<u>413,886</u>	<u>217,644</u>	<u>10,178,340</u>

**Period ended 31 December 2022**

Opening net book amount	9,681,396	284,471	246,648	10,212,515
Additions	149,190	242,685	70,684	462,560
Disposals	-	-	-	-
Depreciation charge	(283,777)	(113,270)	(99,688)	(496,735)
Closing net book amount	<u>9,546,810</u>	<u>413,886</u>	<u>217,644</u>	<u>10,178,340</u>

Included in buildings and improvements additions for the prior year is \$1,300,000 for the building occupied by the Lady Gowrie Dysart service. Ownership of this building was transferred to The Gowrie (Qld) Inc. during the year for nil consideration. The building has been recognised at its fair value based on an independent valuation. The building has been classified as leasehold improvements as it is on leasehold land over which The Gowrie (Qld) Inc. has a 30 year lease. The leasehold land has been recognised as a right of use asset and has been measured at cost.

<b>Note 8 - Payables</b>	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
Trade Creditors	573,011	451,206
Other creditors and accruals	718,925	462,740
Income received in advance	449,792	364,203
GST payable	-	-
	<u>1,741,728</u>	<u>1,278,149</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

<b>Note 9 - Provisions</b>	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
Current		
Employee Entitlements	1,473,864	1,280,965
	<u>1,473,864</u>	<u>1,280,965</u>
Non Current		
Employee Entitlements	220,570	233,954
	<u>220,570</u>	<u>233,954</u>
Total	<u>1,694,434</u>	<u>1,514,919</u>

<b>Note 10 - Borrowings</b>	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
Current		
Bank loan	186,795	2,292,286
Lease liability	100,548	63,355
	<u>287,343</u>	<u>2,355,641</u>
Non Current		
Bank loan	1,918,696	-
Lease liability	123,659	187,262
	<u>2,042,355</u>	<u>187,262</u>
Total	<u>2,329,698</u>	<u>2,542,903</u>

Borrowings of \$2,105,491 (2021: \$2,292,286) are secured with a first registered mortgage over certain land and buildings owned by The Gowrie (Qld) Inc. Prior to 31 December 2022 the Organisation refinanced the bank loans. The maturity dates for the refinanced loans are 31 December 2025.

<b>Note 11 - Reserves</b>	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
Capital reserve - Occasional care centre	<u>320,975</u>	<u>332,516</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	332,516	344,057
Less: Depreciation expense	(11,541)	(11,541)
Closing balance	<u>320,975</u>	<u>332,516</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

**Note 12 - Related Party Information**

Key management personnel are the people with authority and responsibility for planning, directing and controlling the activities of the Organisation, directly or indirectly, including any director (whether executive or otherwise) of the Organisation.

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The Organisation has applied the relief available under current ACNC Guidelines and chosen to not disclose the remuneration of Key Management Personnel.

**Note 13 - Subsequent Events**

No subsequent events have been identified.

**Note 14 - Contingent liabilities and assets**

In 2015 The Gowrie (Qld) Inc. acquired the Love Street property from the Commonwealth at a discount to market value. Under the Transfer Deed, if The Gowrie (Qld) Inc. 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 (Qld) Inc. has paid in relation to the property.



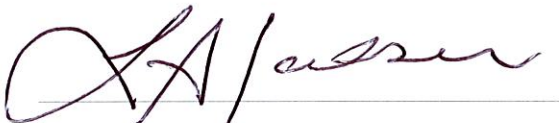
THE GOWRIE (QLD) INC  
A.B.N. 12 226 452 826

THE BOARD OF MANAGEMENT DECLARATION  
FOR THE YEAR ENDED  
31 DECEMBER 2021

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 2022 and of its performance for the year ended on that date, and
2. There are reasonable grounds to believe that the Organisation 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



Ventura Caso

Treasurer

Brisbane

Dated: 09.06.2023

## 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 2022, the statement of profit or loss and other 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's (responsible entities) 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*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

#### 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities 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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**



**M Cutri**  
Director

Brisbane, 9 June 2023







Australian Government



Matt Birney – Builders