

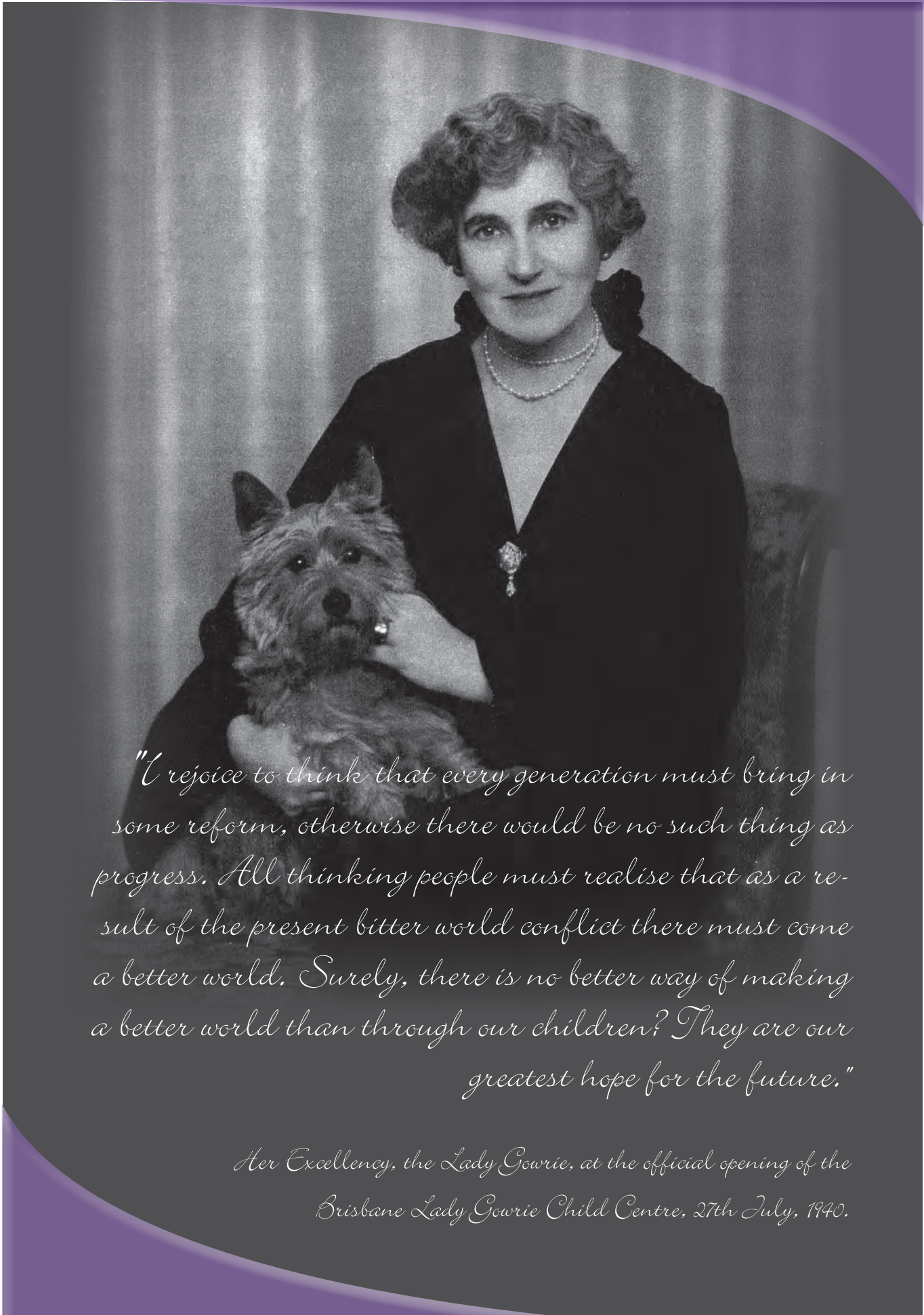


**Lady Gowrie** QLD  
Educating and caring  
for children since 1940



*Celebrating 80 years in 2020*

**Annual Report 2020**




*"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.*

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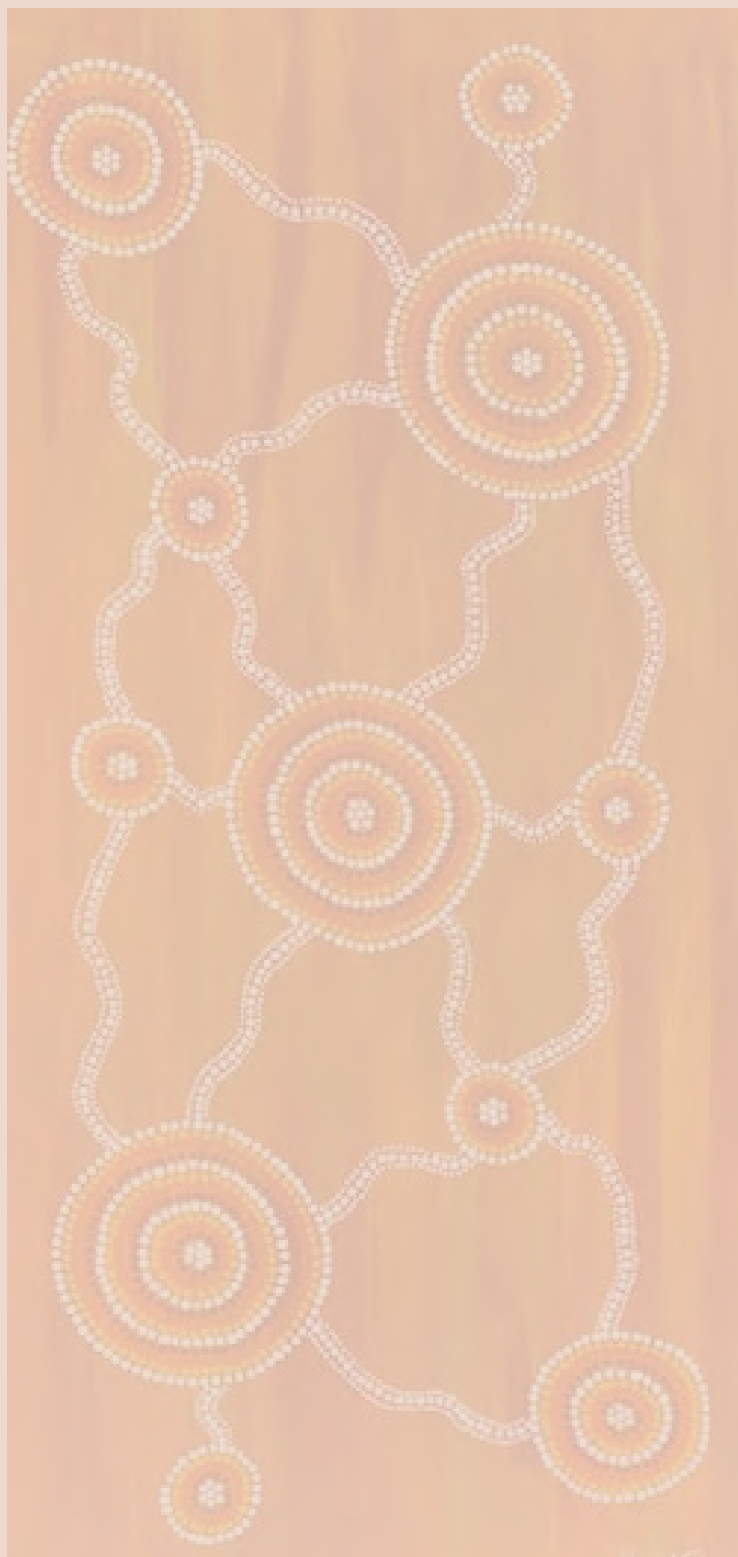
A close-up photograph of two Aboriginal boomerangs resting on a sandy surface. The boomerang on the left is dark with a pattern of yellow, blue, and white dots. The boomerang on the right is red with a pattern of yellow, blue, and white dots. In the background, there is a white, textured object, possibly a piece of coral or a shell, and a wooden stick.

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.

## *Celebrating 80 years*



## *of Lady Gowrie Qld*

**2020 marks eighty years since the opening of the original Lady Gowrie Queensland Child Centre in Love Street, Bowen Hills. On the 17th of June, 1940, what was then known as the *Australian Commonwealth Government's Brisbane Demonstration Centre for Children's Programs* opened its doors to seventeen children.**

*"Four years ago the idea of forming a Federal body was suggested to the various kindergarten workers of Lady Gowrie. She had been their inspiration and encouragement since 1936. If they could guide the children along the right lines physically, mentally and emotionally they would have a group of Australians who would probably help to solve the terribly difficult post-war problems that would arise".*

*-T. a'Beckett, President of the Australian Association for Preschool Child Development, 1940.*

Over the next few years, following lobbying by Lady Gowrie to improve the health and wellbeing of Australian children, particularly those who were disadvantaged, more centres were established in capital cities around Australia to demonstrate exemplary benchmarks of quality in early childhood practice. Lady Gowrie was a keen advocate for social justice and the right to quality care and education for all children.

*"The Lady Gowrie Child Centre is a Health Centre. It is seeking to attain a greater degree of health, vitality, efficiency and happiness for all the families in this community, and to share its achievements and knowledge with all families in Brisbane, Queensland and Australia, who need a higher standard of living".*

*-Jean Ferguson, 1947*

She visited the Love Street service several times in those initial years, describing it as a *"paradise for children"*, and arranging for the planting of jacaranda trees in both the grounds and the surrounding streets. Over the next 8 decades, children who have run down the Love Street corridor have witnessed events such as world wars, the Coronation of Queen Elizabeth II, a change of national currency system, the moon landing, and the Beatles touring.

Journals kept at the service detail the purchase of a washing machine and a lawn mower in 1959 as Love Street was *"coming of age with labour saving devices"*, meaning that all laundry items were hand-washed for nearly 20 years. Children only really began pretending to watch TV as part of their dramatic play in 1961, and the original intercom to link each of the rooms to the office was installed by a father in 1963.

Families have seen societal shifts enabling women to continue teaching after being married, and took part in the referendum for citizenship and education rights for First Australians. Teams of staff have lived through two Brisbane floods, the first heart transplant, the addition of computers to family homes, and the invention of the internet.

But whilst the external grounds of the Service, the organisational focus, and society as a whole has continued to change and grow, many of the fundamental beliefs and values behind the Lady Gowrie philosophy remain the same.

*"Our programs for the children are planned so that the child can be self-selective in his play; so that he can learn through his play. To achieve this, more skill is required on the part of the teacher to provide for the child's needs and not to retire from the scene allowing the children to manage without her. The teacher of preschool children does not "mind" children and keep them amused; she is there to help them grow and extend their environment, to provide challenge in their activities, to create situations which involve the child's reasoning and working out of problems for himself, and to learn through doing. This is one of our most important aims, and one which we shall continue to demonstrate in the program of this Centre".*

-Pat Roberts, Director, 1960

*"The next 25 years could make even greater change in our program.....whatever the future holds there will always be ways and means to cope with the changes and this Lady Gowrie Child Centre should continue to render its indispensable service to the community as a demonstration Kindergarten for the whole of Queensland".*

-Etta Austin, Secretary, 1965

To mark the 70th anniversary of the founding of Lady Gowrie in Queensland, the then Governor of Queensland, the Honourable Ms Penelope Wensley, AC, hosted a morning tea at Government House. During this time she described Lady Gowrie Qld by saying, "the organisation has consistently set and attained the highest standards in its range of programs for young children and their parents and guardians. Partly, no doubt, this is a legacy of its origin in 1940 as a demonstration centre for children's programs, but I know that it takes enormous commitment, energy, and professionalism to maintain those standards consistently over a long period, particularly in the context of an expanding client base, an expanding range of services, and constant advances in our knowledge of the early education needs of children".

*"Children delight us, challenge us, tire us out, melt our hearts, make us laugh and cry, give us fresh perspectives on life and make us proud – often all in the space of less than an hour. To express that in another way, and to capture, perhaps, more of the ethos of The Gowrie Qld, **whenever adults interact with young children, it is not only the children who learn and develop**".*

-Ms Penelope Wensley, AC, 2010

This year has left its mark in history by offering global challenges unseen in recent times, resulting in the early childhood sector, like the rest of the country and indeed the globe, scrambling to support communities in the face of an international health pandemic.

*"We are all experiencing, both personally and professionally, unprecedented challenges and decision making processes, which at times would sit outside our scope of our "normal" day to day happenings. There are many stories to tell of creativity, innovation, flexibility, compassion and empathy. You will all have ones that you call your own, however as an Organisation we celebrate all of them. We are extremely grateful to have teams that are equipped with these qualities that then help us rise to the challenges.*

*I genuinely thank all of you for your ongoing commitment to children, families, colleagues and the ECEC sector. Your resilience and focus to enable families to continue to do what they need to do and for providing children a happy and safe place to be".*

-Louise Jackson, Lady Gowrie CEO, 2020

80 years on from its experimental beginnings, Lady Zara Gowrie's legacy is reflected in the passionate, committed educators across the country who continue her work in Lady Gowrie centres to honour childhood as a unique time of life, and who strive to provide rich, stimulating, supportive early learning environments for children and their families, regardless of the complexities of the world around them.

*"Every thinking person must realise, that when this bitter strife is over, we must build a better world, and it's only through children that this can be done".*

-Lady Zara Gowrie, 1941

## *A child of the 1940's*



*Children play in the sunshine on the balcony of what was then known as the Australian Commonwealth Government's Brisbane Demonstration Centre for Children's Programs*

Denise Shellback remembers her days at the Lady Gowrie Child Centre on Love Street well. Her surname was Hurley then, and she attended in the 1940s, during the organisation's foundation years. Denise's mother, Mavis, held a position on the Committee.

*"My mother was a widow, so we would get the tram from Windsor and get off at the Brunswick Street intersection there, and then walk up".*

*"I've got a great memory, so I remember a lot from those days, you know? My locker where my bag went had a flag symbol on it. I remember the layout of the building, and where the kitchen was. They told my mother that I used to chew my milk rather than drink it. I'm still not fond of milk now. And I remember eating prunes with junket".*



*"There was a maypole in the yard, and the air raid shelter out the back, although I didn't know what it was for, of course, but my mother told me about it afterwards".* Denise, her siblings and her mother

Denise also has warm memories of the staff in attendance at that time. "The lady in the office, I can't remember her name, but oh....she was like a grandma"

She went on to describe "Miss Ferguson", one of the teachers, who was always so attentive. Miss Jean Ferguson went on to become Director of the Love Street service from 1946-1964. Her ongoing contributions

to the field of early childhood earned her the Order of Australia medal in 1989. Denise had the opportunity to cross paths with Jean again later in life at one of the many evening sessions held at the Love Street building.

"She remembered exactly who I was," Denise tells.

Denise also spoke of the picnic outings which they went on upon occasion, once venturing on public transport across to Sunnybank's The Oasis Gardens. Having opened in 1938, The Oasis consisted of eight acres of lawns and subtropical gardens and three swimming pools, including a children's wading pool and playground. The spot grew to become one of Brisbane's most well-loved tourist attractions, particularly popular with post World War II soldiers.

Whilst she wasn't a fan of laying down on the old canvas stretcher beds at Rest Time, her favourite part of each day were the music sessions.



"I loved singing," Denise says. "I always wanted to be either a professional singer or a writer. I wasn't able to do either though, of course, because as a woman I wasn't able to attend university".

She went on to become a court reporter, and now enjoys volunteering at Rotary, various charities on the cathedral council, and in the field of medical research.

*Denise at 70th year celebrations of Gowrie Qld.*



Denise has four children of her own and whilst in their early years they lived in the outer suburbs of Brisbane, the family later moved to return to the Spring Hill area, where she still resides today.

## From the Chair of the Board

### Peta Perring



On behalf of the Board, I would like to take this opportunity to thank all of our staff and families for their ongoing support in 2020 which is eighty years since the centre that we know today as Lady Gowrie Qld's Love Street Child Centre first opened its doors.

An 80th anniversary calls for special celebration, particularly a time for celebration after a period of great uncertainty and difficulty with Covid -19. Who would have thought that 2020 would also bring such unprecedented challenges both for people and society? During the pandemic, our Educators and support staff across our centres continued working in our Services where they interacted with children of essential workers, performing their jobs in ways that were never done before and did it with a smile on their faces so that children in their care felt safe and secure. Thank you to all of you for keeping our organisation running and as a result allowing our State to keep running. You made sure that our health workers could take care of the sick and vulnerable and our shops could stay open and services continue so life could go on as best it could, you too are heroes!

Lady Zara Pollok, Countess of Gowrie, herself living into well into her eighties would be proud that her legacy of improving the health and wellbeing of children, especially those who were disadvantaged across Australia continues. Lady Zara was an advocate for social justice and the right to quality care and education for all children and I'm sure she would have been particularly pleased that this quality care continued during Covid -19. What fine Octogenarians, Lady Zara and our Lady Gowrie Qld are!

Today, Lady Gowrie Qld touches the lives of approximately 9500 children each year. Our footprint stretches from the NSW border to Cairns and Thursday Island and as far west as Barcaldine and Blackall. In our 80th year we have 10 Long Day Care Centres, 7 Kindergartens, Out Side School Hours Care, the Caboolture Early Years Place and Satellites, we support 89 Affiliated

Community Kindergartens and Long Day Care Services, across the State and have also commenced a new model of managing Services on behalf of local councils. Our most recent partnership was with the Cook Shire Council and we now operate the Long Day Care Service in Cooktown.

This year we launched and commenced implementing our 2020-2022 Strategic Plan, our Educational Strategy of enriching professional praxis (pedagogy and practice) and our Reconciliation Action Plan (RAP) Vision.

During 2020, despite adversity we have continued to focus on developing our greatest asset, our staff, particularly through our new Educational Strategy where we aim to raise the professional identity of the Gowrie workforce through professional learning and leadership to produce exceptional, ethical Gowrie professionals. We remain committed to ensuring that our organisation retains its position as the pre-eminent educator within the Early Childhood Education and Care (ECEC) sector, and we will continue to invest in training and developing our staff.

Our continued success is a result of the very dedicated, caring and hardworking staff. On behalf of the Board, I would like to thank you for your commitment and determination through difficult times. To Louise and your outstanding team, we thank you for continuing to drive the success of this organisation of which all of us are so proud. We are extremely grateful to have been led through these times by such a talented team of individuals so focussed and committed to Lady Gowrie's vision for Queensland children to thrive in enriched and nurturing learning environments.

I would like to extend my thanks to my fellow Board members. The organisation appreciates your strong commitment to Lady Gowrie Qld, the expertise that you provide as you generously give so freely of your time as custodians to enhance the organisation that has been entrusted into your care.

I would like to formally thank Ben Gordon, Amy Treble, James Woods, and Bev Flückiger who both stepped down from the Board this year. We thank you for your valuable contributions during your terms and wish you all the best in your future endeavours.

I would also like to formally welcome to the Board the following members who also joined us in 2020: Ms Joy Brown, Ms Mia Christensen, Mr Ventura Caso and Ms Kelly Barrington (Education and Innovation Sub-Committee and Finance Sub-Committee) their skills and experience will be a great asset to Lady Gowrie Qld.

Finally last but not least I would like to thank Louise, our CEO for her leadership, dedication and resilience in navigating Lady Gowrie Qld through its response to Covid-19, no mean feat with a situation changing so rapidly. The Board and I are immensely proud of your efforts. It was also during this time that Louise has also been recognised as a leader, trusted expert and advocate for the ECEC sector by the Department of Education, a recognition well deserved.

Finally, I will be retiring from the Chair role after this AGM, after seven thoroughly enjoyable and rewarding years on the Gowrie Board and I leave with many fond memories and friendships made. I am happy to hand over the role to Mr Ronnie Lake, Ronnie has broad risk, governance expertise and I know the organisation will be in safe hands as Ronnie will work with the Board and Management in taking Gowrie Qld forward to ultimately meet its strategic goals and vision.

Since 1940 we have been the leaders of excellence in early childhood education and care, helping the next generations of Queensland families and I am confident Lady Gowrie Qld will continue to do so as we approach our centennial.



# Our Board of Management

**Chairperson** - Ms Peta Perring

**Deputy Chairperson** - Ms Shona Vasani

**Secretary** - Mr Ben Gordon

**Treasurer** - Ms Amy Treble / Ms Julia Fenech

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Ms Peta Perring

Ms Kylie Kluger

Ms Shona Vasani

Ms Sarah Black

Mr Ben Gordon

Mr Ronnie Lake

Ms Julia Fenech

Mr James Woods

Ms Amy Treble

Ms Bev Flückiger

## Sub Committee Member

Ms Kelly Burmester

## 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.

## From the Chief Executive Officer

### Louise Jackson



It is a privilege and humbling opportunity to pen the CEO report for Lady Gowrie Queensland in its 80th year of operation and celebrate the significant achievements of an Organisation steeped in history, yet relevant and committed to the value of

early childhood education and care and the provision of enriched, nurturing environments for children to thrive in.

From the time of our establishment as a demonstration service, the Early Childhood sector has experienced many changes, largely influenced by government policy and funding, societal changes relating to family's needs, pedagogical and practice research and quality markers for the education and care of children. As an Organisation we continue to look through a lens, not of rigidity or compliance with these changes, but one that will enhance the work that we do, encourages us to do more and keep our focus on the children and the families and carers that support them. A quote from the Australian Preschool quarterly of 1963, is one I reflect on and remains relevant today as I seek to guide the Organisation, whilst I hold the role of custodian.

*We need to look to our past. Has anything really valuable been lost in the onward surge? ... We need to evaluate our present very carefully. There is so much that could be done. ... We need to look to the future lest present habit and expediency determine our direction; rather should we be guided by reasoned planning based on expanding knowledge of children and seen in relation to a complete scheme of education in its widest sense.*

(The Editors, 1963, Australian Preschool Quarterly, 3(3), p. 3)

Lady Gowrie continues to operate Long Day Care Services, Kindergarten and Early Years Services across Queensland and were proud to welcome Barrier Reef Child Care Centre, Cooktown to the Gowrie Family in 2019. Whilst we take a conservative approach to growth, Cooktown represents our ongoing commitment to the accessibility of education and care programs, for children and families across Queensland including rural and remote areas.

This year saw the appointment of Dr Lisa Sonter to the role of Pedagogical Leader and Dr Amanda McFadden

to the role of Research and Evaluation Lead. Their contribution to the development of Educational Strategy and supporting the growth of our teams, through reflective conversations in relation to our pedagogy and practice has been invaluable.

Lady Gowrie also revisited their Reconciliation Action Plan (RAP) journey with earnest and thank you to the Working Group for their collaboration and input to develop a document, that not only reflects the work we are already undertaking, but also articulates our commitment to learn more. In our annual report we have launched our vision and thank you to Auntie Ros Sailor, who as created our artwork with special connection to Townsville honouring our partnership with Headstart Preschool and Kindergarten Association, providing a Kindergarten program for Aboriginal and Torres Strait Islander children for over 50 years.

Our Affiliate Kindergartens continue to provide Kindergarten programs across Queensland that are responsive and innovative in meeting the needs of the current co-hort and community, whilst upholding the values and philosophy of the Kindergarten and a pedagogical approach which is informed by current practice and advocates for the rich opportunities of learning through play. Community Kindergartens remain an integral part of the communities they reside in and the dedication and commitment of our Volunteer Management Committee's is to be commended, for their commitment to volunteering many hours to ensure the governance and operation of the Kindergarten is undertaken in a professional and ethical way at all times.



Whilst reporting on our journey in 2019, 2020 has brought us unprecedented challenges due to the global pandemic of COVID-19. In many ways we needed to reimagine how we engaged with families, educate and support children as professionals and undertake this each day with care, compassion, reflection and respect with one another, our children, our families and our community and ensure we resonated with the impacts of a pandemic.

Our staff have been our frontline during this time. As an Organisation we faced challenges, however I acknowledge the significant contribution of our staff teams and how they have contributed to our many successes. We thank them and are grateful for the commitment, professionalism and dedication as they undertake their roles each day.

We have had to dig deep, being more flexible and agile in our thinking and the way we work. We have been creative and resourceful in how our environments and programs remained engaging and continued to support children and families. Early childhood spaces became even more important for families as we provided a sense of belonging, reassurance and that together we could make our way through this 'new normal' and time to celebrate friendships, laughter and joy and wonder of childhood was still possible.

I would like to acknowledge our Board who continually support and remain committed to the foundations of our Organisation and volunteer their time to ensure the continued legacy of Lady Gowrie Qld. Thank you to all of you and especially to outgoing Chair, Peta Perring, you enable us to, through your strategic approach and vision, to remain focused and ensure that our work benefits and remains invested in our children and families across Queensland.

Acknowledgement to all levels of government who continue to invest not only in Lady Gowrie Qld, but across the Early Childhood sector with a commitment to better outcomes for children and in the quest to mitigate the social and education inequities that are experienced by children each day across Australia.

In the coming year we will reflect on the learnings and opportunities that this year has brought us. As an Organisation we will look to reset, refocus and reimagine our strategic goals, with a continued focus on reinvesting in our people, our partnerships and the communities in which we reside.

I ask you to join with me in celebrating the history however I seek your enthusiasm to enable our future.



## The Gowrie Qld Past & Present CEO/Directors



Miss Edna Hill  
1939 - 1942



Dr Ada Stephens  
1943- 1944



Miss Jean Ferguson  
1946- 1964



Miss Pat Roberts  
1965 - 1990  
*(relieved by Pat Patterson  
during absence)*



Mr John Tainton  
1990- 1998



Mrs Jenny Mobbs  
1998- 2007



Dr Sue Irvine  
2007 - 2010



Mrs Jane Bourne  
2010 - 2018



Ms Louise Jackson  
2018 to present

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.

# The Gowrie Qld Long Day Centres

We welcomed the children, families and staff team at Barrier Reef Child Centre in Cooktown this year. We are excited to be partnering with the Cookshire Council to support their vision of birth to 5 years in the community.

Our long day care Services continue to support over 2000 children each year across many regional Communities. Our staff teams continue to be creative and resourceful in providing engaging environments and programs.

This year has seen our Early Childhoods spaces become even more important for families as we provided a sense of belonging, celebrated friendships, laughter, joy and wonder of children.

Thank you to our dedicated teams and to all levels of Government that support the ongoing delivery of programs to families in regional communities.



**LOVE ST - BRISBANE**



**WARRY ST - BRISBANE**



**WARATAH DRIVE - CAIRNS**



**QUARRY ST - BRISBANE**



**BARCARDINE EYS**



**BLACKALL EYS**



**DYSART**



**KENNEDY PLACE - TOWNVILLE**



**THURSDAY ISLAND**



**BARRIER REEF - COOKTOWN**

# Celebrating Lady Gowrie Community Kindergartens

We are privileged to have over 99 community-based Lady Gowrie owned and Affiliated Services in operation throughout Queensland; providing more than 4500 children with an approved, quality, inclusive kindergarten program in their year prior to formal schooling.

In 2019 we once again recognised and valued the support which Community Kindergartens provide with a number of regional communities experiencing flooding and bush fires, amidst natural disasters a sense of belonging, connection and the wonderment of early childhood continued to be available for children and families in these communities. Once again Early Childhood Staff demonstrated their resilience and the key role which they play in the community recovery process.

The year saw many opportunities for staff to share and extend their knowledge during professional development including the Kindergarten Symposium and sessions throughout regional workshops and conferences focusing on the topics of Leadership, Executive Functioning, STEAM, Resilience and Wellbeing, Neuroscience and Sustainability. The reinvention of the quarterly Gowrie Connections publication provided further opportunities for Services to celebrate and share their work focusing on the themes of Embedding Quality in Everyday Practice, Leadership in Services, Supporting Wellbeing of our Service Communities and Connecting with the Community.

Thank you to Volunteer Management Committees, Service Staff Teams, the CGB Team and all levels of Government that support the ongoing delivery of kindergarten programs for children and families throughout Queensland.



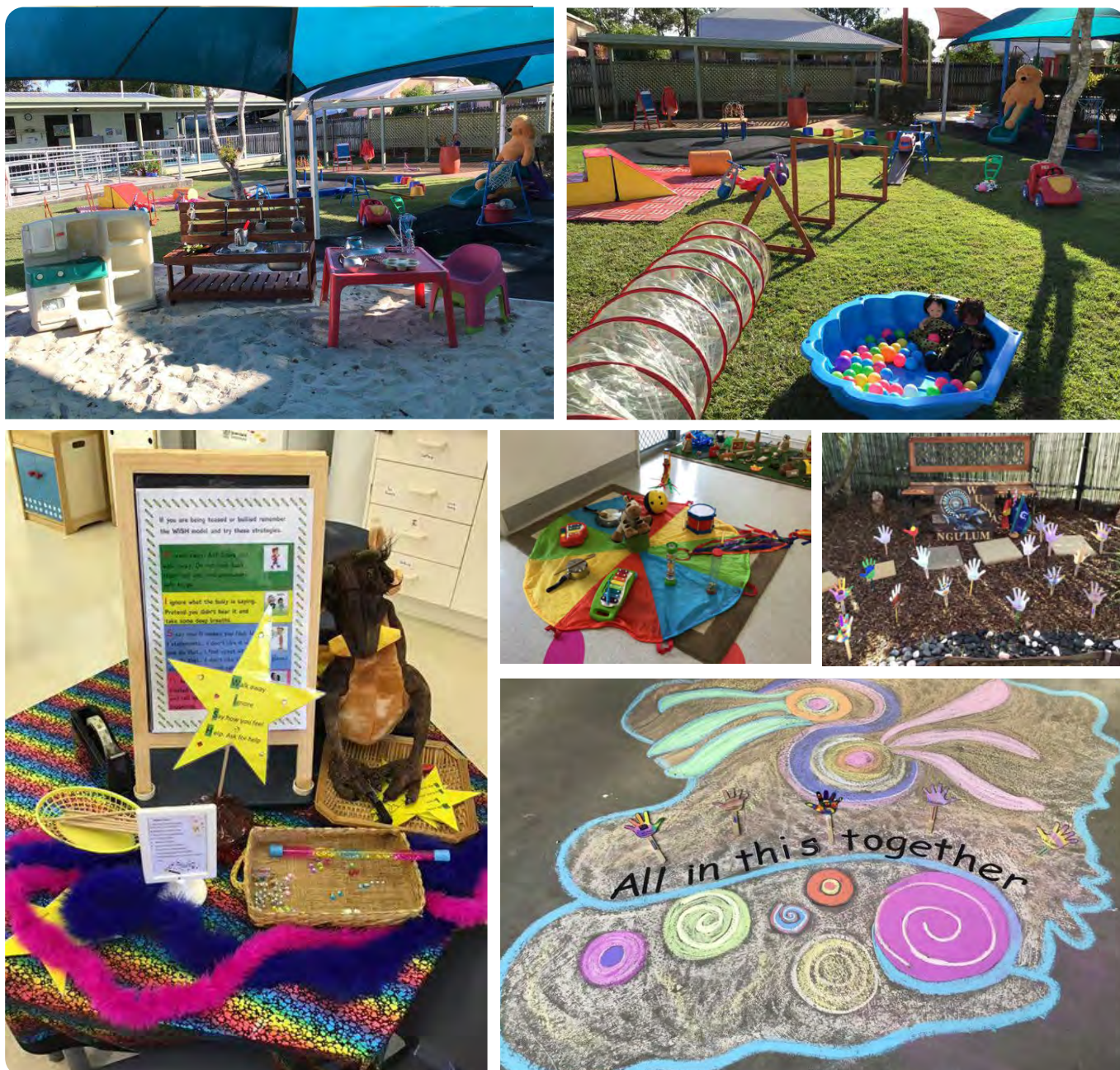
# The Gowrie Qld Early Years Place

We continue to celebrate the engagement of children and families across our Early Years Place and Satellites in Caboolture.

Our dedicated multidisciplinary team provide a range of universal early childhood programs, health and family support services, parenting programs and specialist early learning support for children.

Early Years Place staff visit and support more than 130 early education settings including schools, kindergartens family day care schemes and long day care centres and deliver programs in these settings where requested.

We continue to be responsive and relevant in the communities we work across and with our recent launch of our continued connections at home via digital platforms we look forward to reimagining the scope of our work and its ever expanding reach to families.



# Recognising our People

## 10 Years +

Milica Bursac  
Kerry Cox  
Lisa Crawford  
Elizabeth Eaton  
Barbara Hall  
Melissa Harries  
Kim Hawken  
Peta Kerwin  
Julie Kim  
Samantha Leach  
Melissa Lee  
Karen Nipperess  
Debra Okane-Jackson  
Estelle Poulter  
Lynelle Remington  
Thecel Richardson  
Barbara Sagigi  
Manan Samai  
Kirsty Schmal  
Jaclyn Ware  
Grace Warrior  
Vanessa Wratten

## 15 Years +

Cassandra Bell  
Fleur Cossey  
Charlotte de Silva  
Louise Jackson  
Megan Laraghy  
Rebecca Leach  
Julie Moon  
Tracy Nash  
Melissa Stringer

## 20 Years +

Lori Douglas  
Fiona Kaufman  
Margarita Pahl  
Sharron Palmer

## 25 Years +

Peter Audas  
Annette Holt  
Debbie Verstege  
Juliann Bowie

## 30 Years +

Vicki Bennett  
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 2020 - 2022

## 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**

# Financial Report



The 2019 financial year for Lady Gowrie Qld (LGQ) represented a period of strategic consolidation, operational stabilisation and pursuit of sensible new growth opportunities. The focus being to position the organisation to continue its purpose of providing high quality early childcare support and services in a financially sustainable manner. This approach has ensured that Gowrie has thus far been successful in riding the COVID-19 wave in this current financial year, with minimal negative operational impacts and positive projected cashflows at this stage.

Aligning with the decision at the 2018 Annual General Meeting to change its financial year-end to a calendar year basis, the audited financial results presented for 2019 include a six-month prior year comparison to 31 December 2018.

Prima facie, Lady Gowrie Qld generated a deficit for the year of \$216,321. However, \$523K of this result related to depreciation, being a non-cash item, whilst \$105K can be attributed to accounting adjustments, including those relating to prior years, that were required to be brought to account due to the introduction and initial adoption of AASB 1058 *Income of Not-for-Profit Entities*. Holding costs associated with the held-for-sale property in Kirwan were also incurred for the full year, with the strategic divestment subsequently occurring in February 2020. Kindergartens continued to be adversely impacted by historical funding agreements not indexed to sufficiently cover operational costs. Restructuring costs were also incurred during the year to re-align certain functions. At reporting date, LGQ also adopted the new AASB 16 *Leases*, now recognising material operating leases as depreciable Right-to-Use assets.

With the change in financial year and adoption of new Accounting Standards in 2019, it is somewhat challenging to provide direct year-on-year financial comparisons on operational performance.

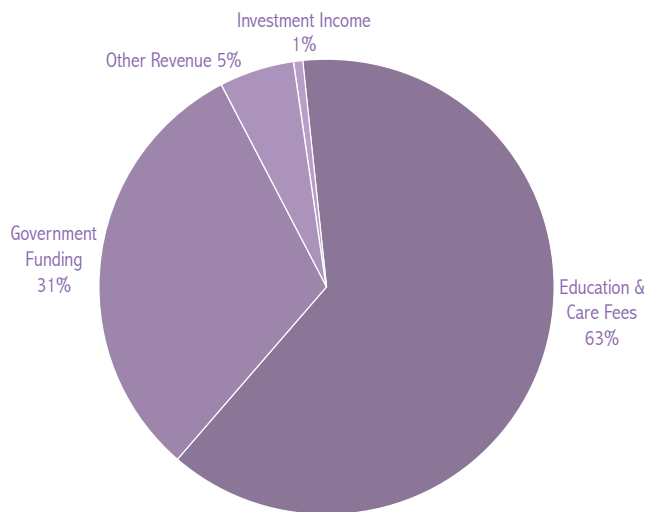
However, particularly in regard to not-for-profit entities, it is the cashflows that provide a reliable source of measuring financial stability. With this in mind, the cash at bank balance at 31 December 2019 was \$501K. Of significance is the fact that the organisation was entirely self-funded during 2019, meeting all its operational and borrowing obligations, requiring no external short-term funding even during its seasonally slow income period in December. This is a clear indication of the effectiveness of the operational and cashflow management processes and of Lady Gowrie Qld's strong underlying financial performance.

Further favourable indicators are explored below within its various operational sectors:

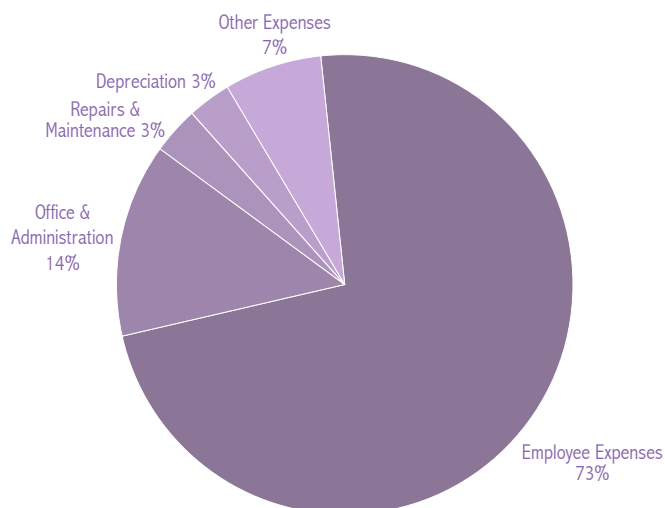
- During the year, LGQ ventured into a new operating arrangement, now being the Approved Service provider of Cooktown Long Day Care Service in partnership with the Cook Shire Council. This is particularly exciting and a new growth area for the organisation as it enables LGQ to deliver its high-quality care and education in regional areas of the State with no impost on future financial considerations
- As a Central Governing Body, LGQ successfully distributed funding of \$19.1M to, and also experienced a near 100% retention rate of, its Affiliated Kindergartens and the Volunteer Management Committees we partner with
- LGQ also experienced a 100% retention rate of its own seven Kindys and, under LGQ management, the latest acquisition of Red Hill Kindy in December 2018 experienced a favourable growth in utilisation of 15% during the 2019 year
- Funding and utilisation of the Long Day Care Centres remained stable
- 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

Operating revenue of \$16.9M in 2019 was generated from the following sources, with 63% being derived from service fees and 31% being derived from government funding:

# Financial Report continued



Operating expenses of \$17.1M in 2019 were incurred from the following sources:



At 73% of operating expenditure, employee expenses continued to represent the largest cost of the organisation. Costs during the year were impacted by restructuring within the organisation, along with the commencement of our Cooktown service provision. At 14%, the second largest cost of Central Office and Administration has remained relatively consistent.

We continue to review services which, due to regional challenges, are not performing well and are continuously making efforts to improve utilisation at those services. All 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.

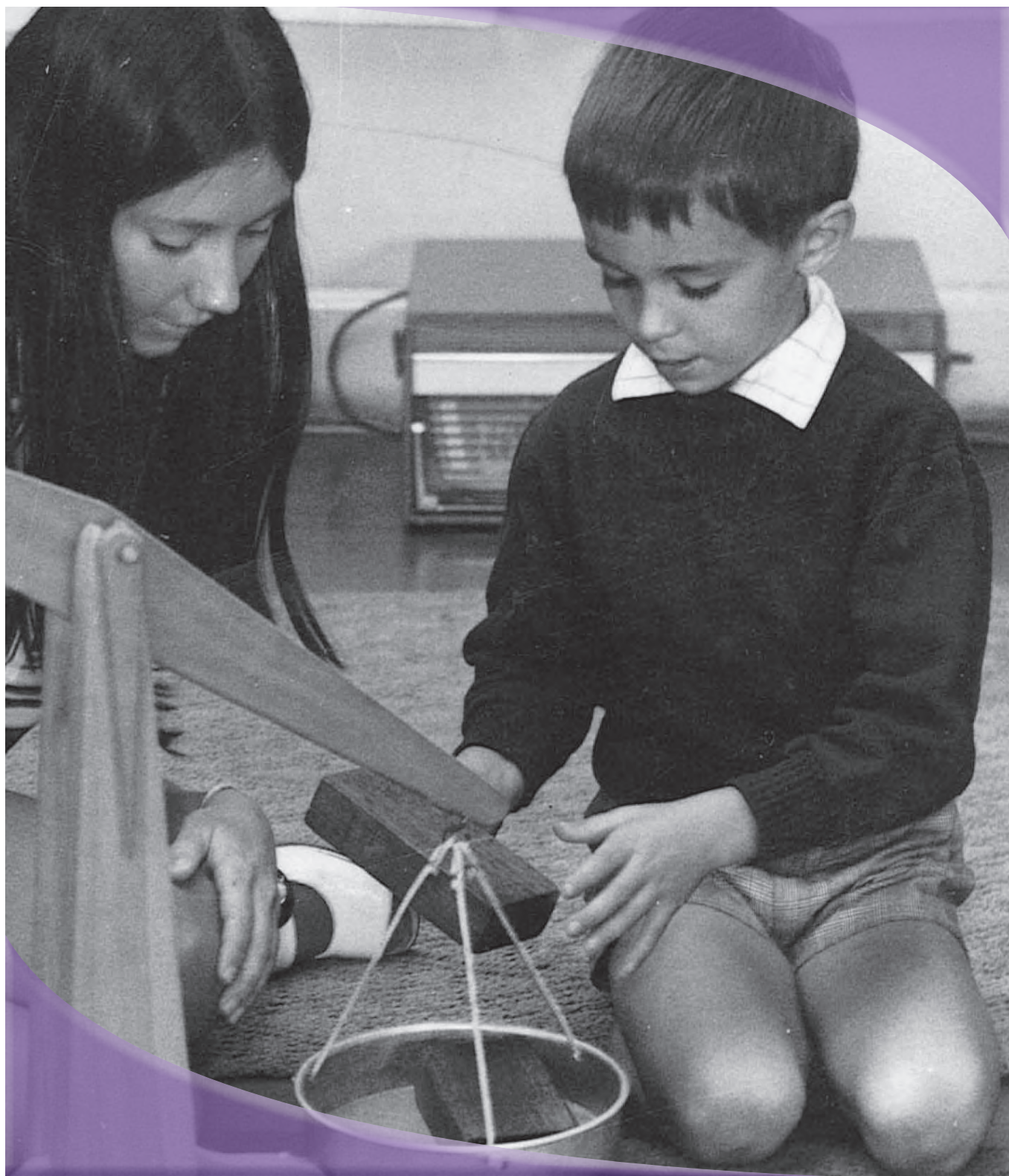
In line with its strategic objectives, the Board and LGQ Management will continue to consider investment opportunities that prioritise strategic reinvestment and maximise the benefits for children and families while maintaining sustainable growth.

However, with the COVID-19 Pandemic having arisen in early 2020, the organisation's focus at this stage is very much to manage adverse operational impacts and ensure its cash position remains stable, whilst continuing to delivering high quality services. We are hopeful that with the benefit of Government economic and funding packages, LGQ will remain financially secure and, through the successful advocacy of Management, will emerge as a strong and valued leader in the sector.

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 in, 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 2019**

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 2019**

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# THE GOWRIE (QLD) INC

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 (year) \$	31 December 2018 (6 months) \$
Revenue	2	16,900,375	8,531,557
Other income	3	-	271,003
Employee expenses	4	(12,495,992)	(6,025,544)
Repairs and maintenance expense		(568,811)	(285,166)
General office and administration expense		(2,332,929)	(1,247,660)
Depreciation and amortisation expense	4	(523,156)	(195,808)
Other expenses	4	<u>(1,184,268)</u>	<u>(590,440)</u>
Surplus (deficit) before income tax		(204,780)	457,942
Income tax expense		<u>-</u>	<u>-</u>
Surplus (deficit) for the year		(204,780)	457,942
Other comprehensive income			
Items that will not be reclassified to surplus for the year:			
- Depreciation expense		(11,541)	(5,771)
Total comprehensive income for the year		<u><u>(216,321)</u></u>	<u><u>452,171</u></u>

The accompanying notes form part of this financial statement.

# THE GOWRIE (QLD) INC

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$	31 December 2018 \$
<b>CURRENT ASSETS</b>			
Cash assets	5	501,396	580,265
Receivables and prepayments	6	739,559	872,830
Inventories		5,456	5,225
Land and Buildings held for sale	15	328,675	333,908
<b>TOTAL CURRENT ASSETS</b>		<u>1,575,086</u>	<u>1,792,228</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<u>9,367,238</u>	<u>9,510,152</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>9,367,238</u>	<u>9,510,152</u>
<b>TOTAL ASSETS</b>		<u>10,942,324</u>	<u>11,302,380</u>
<b>CURRENT LIABILITIES</b>			
Payables	8	915,502	1,030,819
Provisions	9	1,160,972	1,176,218
Borrowings	10	<u>428,712</u>	<u>258,125</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,505,186</u>	<u>2,465,162</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	9	232,363	290,430
Borrowings	10	<u>2,390,438</u>	<u>2,599,920</u>
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>2,622,801</u>	<u>2,890,350</u>
<b>TOTAL LIABILITIES</b>		<u>5,127,987</u>	<u>5,355,512</u>
<b>NET ASSETS</b>		<u>5,814,337</u>	<u>5,946,868</u>
<b>EQUITY</b>			
Accumulated surplus		5,458,739	5,579,729
Reserves	11	355,598	367,139
<b>TOTAL EQUITY</b>		<u>5,814,337</u>	<u>5,946,868</u>

The accompanying notes form part of this financial statement.

# THE GOWRIE (QLD) INC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Accumulated Surplus \$	Reserves \$	Total \$
Balance at 30 June 2018		5,121,787	372,909	5,494,696
<b>Comprehensive income</b>				
Surplus for the six months		457,942	-	457,942
Other comprehensive income for the six months	11	-	(5,770)	(5,770)
<b>Total comprehensive income</b>		457,942	5,770	452,172
<b>Balance at 31 December 2018</b>		<b>5,579,729</b>	<b>367,139</b>	<b>5,946,868</b>
Adjustment on initial application of AASB 1058 "Income of Not-for-Profit Entities"		83,790	-	83,790
<b>Comprehensive income</b>				
Deficit for the year		(204,780)	-	(204,780)
Other comprehensive income for the year	11	-	(11,541)	(11,541)
<b>Total comprehensive income</b>		<b>(204,780)</b>	<b>(11,541)</b>	<b>(216,321)</b>
<b>Balance at 31 December 2019</b>		<b>5,458,739</b>	<b>355,598</b>	<b>5,814,337</b>

The accompanying notes form part of this financial statement.

# THE GOWRIE (QLD) INC

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 (year) \$	31 December 2018 (6 months) \$
<b><u>Cash flows from/(used in) Operating Activities</u></b>			
Receipts from customers and government grants		16,930,525	8,422,086
Payments to suppliers, employees and others		(16,687,071)	(8,677,984)
Interest received		103,122	67,612
Net cash from operating activities	5	346,576	(188,286)
<b><u>Cash flows (used in)/ from Investing Activities</u></b>			
Cash from acquisition of businesses, net of payment		-	205,000
Purchases of plant and equipment		(134,478)	(34,273)
Net cash from/(used in) investing activities		(134,478)	170,727
<b><u>Cash flows (used in)/ from Financing Activities</u></b>			
Repayment of borrowings, net of proceeds		(290,967)	(91,800)
Net cash used in financing activities		(290,967)	(91,800)
Net (decrease)/increase in cash		(78,869)	(109,359)
Cash at the beginning of the financial year		580,265	689,624
Cash at the end of the financial year	5	501,396	580,265

The accompanying notes form part of this financial statement.

# THE GOWRIE (QLD) INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 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.

During the period ended 31 December 2018, the Entity sought and was granted a change in reporting date from 30 June to 31 December, and consequently the reporting period subsequent to the year ended 30 June 2018 is for a six-month period ended 31 December 2018. The comparative figures are for the six months ended 31 December 2018. Therefore, the following statements and their corresponding notes have comparative figures that are not comparable due to the difference in reporting period for which these statements have been prepared:

- Statement of comprehensive income
- Statement of changes in equity
- Statement of cashflow

#### Adoption of new and revised Accounting Standards

AASB 15 "Revenue from Contracts with Customers", AASB 1058 "Income for Not-for-Profit Entities" and AASB 16 "Leases" applied for the first time for the financial year ended 31 December 2019. They did not have a material impact on initial application. Refer to the revenue and leases accounting policies for further information.

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.

Subsequent to year end The Gowrie's experienced a drop in the number of children attending its services during March and April as a result of COVID-19. Attendance numbers did improve during May. It is not yet known how the operations of The Gowrie will be impacted as the government stimulus packages are unwound over the coming months.

The directors consider it appropriate to prepare the financial statements on a going concern basis at 31 December 2019 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 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 and 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.

#### *Impact of adoption*

AASB 15 and AASB 1058 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

Upon adoption on 1 January 2019, deferred income of \$83,790 was derecognised and adjusted against accumulated surplus.

# THE GOWRIE (QLD) INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 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

AASB 16 was adopted from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

###### *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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 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.

##### *Impact of adoption*

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

Upon adoption on 1 January 2019, a 'right-of-use' asset of \$252,072 was capitalised in the statement of financial position and recognised in Property, Plant and Equipment with a corresponding lease liability recognised of \$252,072. The 'right-of-use' asset relates to the lease of motor vehicles.

##### 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Note 2 - Revenue

	31 December 2019 (year) \$	31 December 2018 (6 months) \$
Grants and subsidies	5,241,150	2,645,703
Fees and levies	10,650,814	5,357,943
Other revenue	905,289	460,299
Interest received	103,122	67,612
	<u>16,900,375</u>	<u>8,531,557</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 \$19,187,715 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 2019 (year) \$	31 December 2018 (6 months) \$
Gain from acquisition of business	<u>-</u>	<u>271,003</u>
	<u>-</u>	<u>271,003</u>

### Note 4 - Expenses

	31 December 2019 (year) \$	31 December 2018 (6 months) \$
Surplus before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Property, Plant and Equipment	<u>523,156</u>	<u>195,808</u>
	<u>523,156</u>	<u>195,808</u>
Employee expenses		
Salaries, wages and provisions	11,466,973	5,528,617
Superannuation	<u>1,029,019</u>	<u>496,927</u>
	<u>12,495,992</u>	<u>6,025,544</u>
Other expenses		
Travel and accommodation	372,678	205,132
Domestic expenses	451,142	211,679
Finance costs	149,622	72,828
Other expenses	<u>210,826</u>	<u>100,802</u>
	<u>1,184,268</u>	<u>590,441</u>

# THE GOWRIE (QLD) INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

	31 December 2019 (year) \$	31 December 2018 (6 months) \$
Surplus (deficit) for the year	(204,780)	457,942
Depreciation expense	523,156	195,808
Gain from acquisition of business	-	(271,002)
Changes in assets and liabilities:		
Decrease in inventories	(231)	(664)
(Increase)/Decrease in trade and other receivables	133,271	(41,859)
Increase/(Decrease) in trade and other payables	(31,527)	(499,591)
Increase/(Decrease) in employee entitlements and other provisions	(73,313)	(28,920)
Cash flow (used)/provided by operating activities	<u>346,576</u>	<u>(188,286)</u>
Cash for purposes of statement of cash flows:		
Cash on hand	-	4,119
Cash in bank	<u>501,396</u>	<u>576,146</u>
	<u>501,396</u>	<u>580,265</u>

### Note 6- Receivables and prepayments

	31 December 2019 \$	31 December 2018 \$
Trade and other receivables	407,394	522,815
Prepayments	296,085	259,407
GST receivable	36,080	90,608
	<u>739,559</u>	<u>872,830</u>

### Note 7 - Property Plant and Equipment

	Freehold land and buildings and improvements \$	Furniture, fittings and equipment \$	Total \$
<b>At 31 December 2018</b>			
Cost	10,835,137	1,729,086	12,564,223
Accumulated depreciation	(1,869,782)	(1,184,289)	(3,054,071)
Net book amount	<u>8,965,355</u>	<u>544,797</u>	<u>9,510,152</u>
<b>At 31 December 2019</b>			
Cost	10,905,545	1,798,389	12,703,934
Accumulated depreciation	(2,067,210)	(1,521,558)	(3,588,768)
Net book amount	<u>8,838,335</u>	<u>276,831</u>	<u>9,115,166</u>
<b>Period ended 31 December 2019</b>			
Opening net book amount	8,965,355	544,797	9,510,152
Right of use asset initial recognition	-	252,072	252,072
Additions	70,408	69,303	139,711
Depreciation charge	(197,428)	(337,269)	(534,697)
Closing net book amount	<u>8,838,335</u>	<u>528,903</u>	<u>9,367,238</u>

THE GOWRIE (QLD) INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019

Note 8 - Payables	31 December 2019 \$	31 December 2018 \$
Trade Creditors	345,112	317,280
Other creditors and accruals	448,048	508,371
Income received in advance	122,342	150,157
GST payable	-	55,011
	<u>915,502</u>	<u>1,030,819</u>

Note 9 - Provisions	31 December 2019 \$	31 December 2018 \$
Current		
Employee Entitlements	<u>1,160,972</u>	<u>1,176,218</u>
	<u>1,160,972</u>	<u>1,176,218</u>
Non Current		
Employee Entitlements	<u>232,363</u>	<u>290,430</u>
	<u>232,363</u>	<u>290,430</u>
Total	<u>1,393,335</u>	<u>1,466,648</u>

Note 10 - Borrowings	31 December 2019 \$	31 December 2018 \$
Current		
Borrowings	<u>428,712</u>	<u>258,125</u>
	<u>428,712</u>	<u>258,125</u>
Non Current		
Borrowings	<u>2,390,438</u>	<u>2,599,920</u>
	<u>2,390,438</u>	<u>2,599,920</u>
Total	<u>2,819,150</u>	<u>2,858,045</u>

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

Note 11 - Reserves	31 December 2019 \$	31 December 2018 \$
Capital reserve - Occasional care centre	<u>355,598</u>	<u>367,139</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	367,139	372,909
Less: Depreciation expense	<u>(11,541)</u>	<u>(5,770)</u>
Closing balance	<u>355,598</u>	<u>367,139</u>

# THE GOWRIE (QLD) INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 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

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

As a result of the social distancing measures introduced by the Australian government in response to COVID-19, The Gowrie (QLD) experienced a drop in the number of children attending its services during March and April. Attendance numbers did improve during May and, at the time of reporting, with the assistance of government stimulus packages, the projected closing cash balance of The Gowrie (QLD) for the 2020 financial year is stable.

However, the full impact of the COVID-19 outbreak continues to evolve at the date of this report and it is not yet known how the operations and attendance numbers of The Gowrie (Qld) will be impacted as the government stimulus packages are unwound over the coming months. If the pandemic continues, it will likely have a material adverse effect on the organisation's results of operations and financial condition for the 2020 financial year.

### Note 14 - Business Combinations

#### Acquisition of Red Hill Kindergarten Association Incorporated

On 12 October 2018, The Gowrie (Qld) Inc acquired the entire business of Red Hill Kindergarten Association Incorporated which operates in the same industry. The acquisition of Red Hill Kindergarten Association is part of a strategy to expand the customer base of the group within the same industry.

Details of the net assets acquired and purchase consideration are as follows:

	Fair value
	\$
Cash and cash equivalents	205,000
Trade and other receivables	950
Property, plant and equipment	234,922
Trade and other payables	(76,625)
Provisions	(57,043)
Contingencies	(36,202)
Net identifiable assets and liabilities	271,002
Bargain purchase	(271,002)
Net assets acquired	-
Total purchase consideration	-

**THE GOWRIE (QLD) INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

**Note 15 - Land and Building Held for Sale**

	31 December 2019	31 December 2018
	\$	\$
Land and building at cost	<u>328,675</u>	<u>333,908</u>

During the six months ended 31 December 2018 a Townsville property was put on the market. Subsequent to balance date this property was sold for \$385,000.

**Note 16 - Contingent liability**

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 GOWRIE (QLD) INC**

**THE BOARD OF MANAGEMENT DECLARATION  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

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 2019 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

27 July 2020

## 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 2019, 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's 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 2019 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.

#### Emphasis of matter - Subsequent event

We draw attention to Note 13 in the financial report which describes the non-adjusting subsequent event of the impact of the COVID-19 outbreak on the registered entity. Our opinion is not modified in respect of this matter.

### **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, the 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

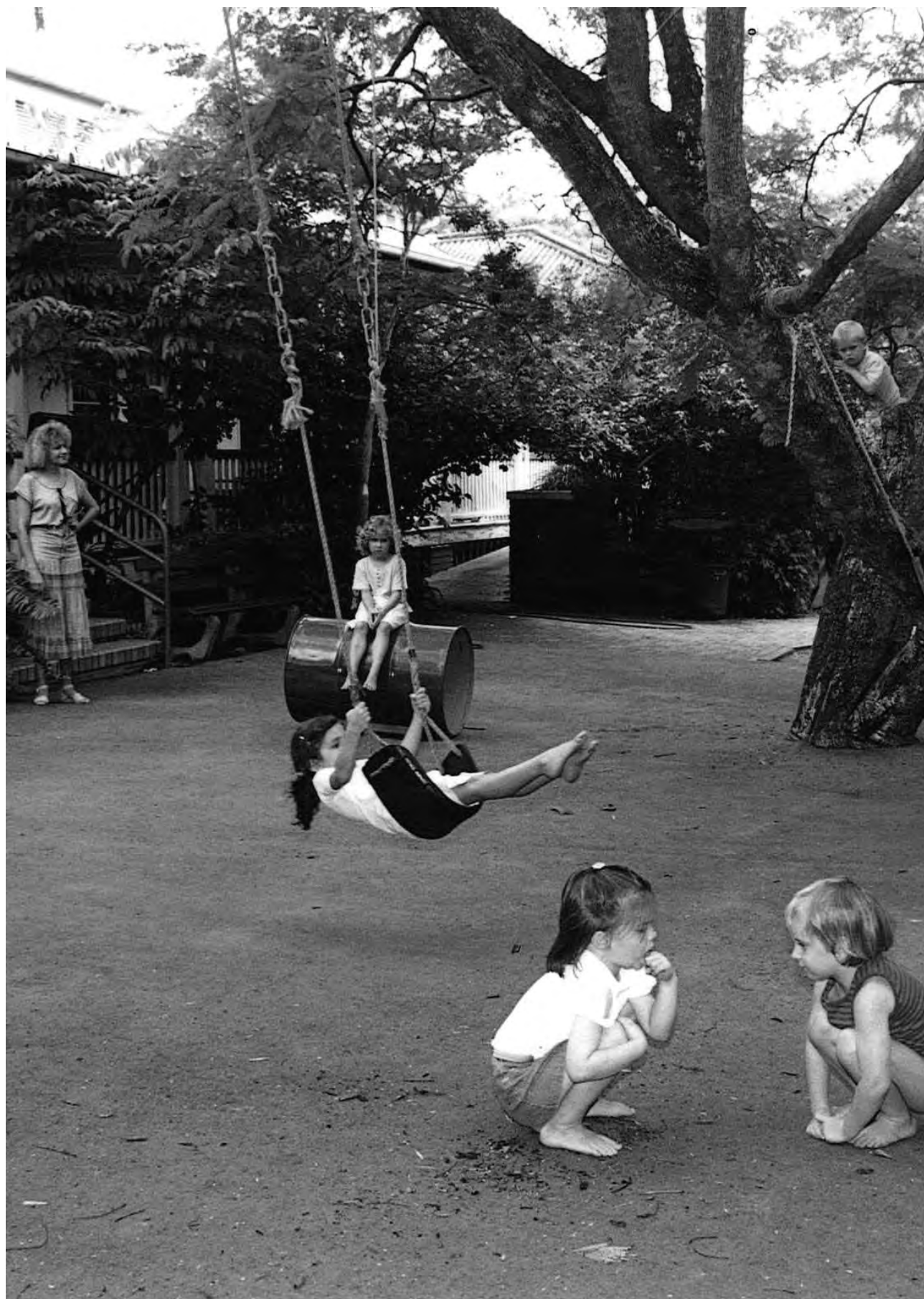
This description forms part of our auditor's report.

### **BDO Audit Pty Ltd**



**A J Whyte**  
Director

Brisbane, 27 July 2020





**Australian Government**



**Matt Birney – Builders**