



GOWRIE NSW
ABN 57 001 894 659

FINANCIAL REPORT - 30 JUNE 2019

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GOWRIE NSW
ABN 57 001 894 659

DIRECTORS' REPORT

Gowrie NSW is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors present the financial report on Gowrie NSW for the year ended 30 June 2019 and report as follows:

DIRECTORS

The names of and other information on the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

Directors' qualifications, experience and special responsibilities

Name	Qualifications	Experience	Special Responsibilities
Tessa Hoser	B.Juris, BA (Law) and MA, GAICD	Consultant Risk, Governance, Compliance, Commercial	Chairperson, Board; Member, Board Audit Risk& Investment Committee; Member, Business Opportunities Committee; Member Performance Remuneration and Nomination Committee
Melly Sah Bandar	M Science, B Arts, MAICD	Strategic, commercial, finance and investment consultant	Member, Board Audit, Risk & Investment Committee
Sean Parker	CAANZ, AGIA, GAICD	Finance, strategy and business development, Risk Management	Chairperson, Board Audit, Risk & Investment Committee Member, Business Opportunities Committee
Rodney Timm	B.Comm MBA BSc GAICD	Portfolio strategy and planning, development and transaction management	Deputy Chairperson, Board; Chairperson, Business Opportunities Committee; Member Performance Remuneration and Nomination Committee
Sandra Gray	B.Ed Dip Teach MACE MAICD	Strategic Leadership, Academic and Pastoral Leadership and Management, Human Resources Management, Organisation Leadership	Chairperson, Performance Remuneration and Nomination Committee
Johan Palsson	B Arts	Digital Marketing, Strategy, E- Commerce and Transformation	Member, Business Opportunities Committee

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DIRECTORS' REPORT

MEETINGS OF THE DIRECTORS

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

Directors	Date appointed	Number of meetings eligible to attend	Number attended
Tessa Hoser	Appointed: 12 Nov 15	9	9
Sean Parker	Appointed: 27 Oct 16	9	8
Melly Sah Bandar	Appointed: 14 Nov 13 Reappointed: 24 Nov16	9	6
Rodney Timm	Appointed: 9 Aug 16	9	8
Sandra Gray	Appointed: 30 Nov 17	9	8
Johan Palsson	Appointed: 30 Nov 17	9	7

Board Audit, Risk and Investment Committee

Committee Members	Number of meetings eligible to attend	Number attended
Melly Sah Bandar	4	4
Sean Parker	4	4
Tessa Hoser	4	4

Business Opportunities Committee

Committee Members	Number of meetings eligible to attend	Number attended
Rodney Timm	1	1
Tessa Hoser	1	1
Sean Parker	1	1

Performance, Remuneration and Nominations Committee

Committee Members	Number of meetings eligible to attend	Number attended
Sandra Gray	1	1
Tessa Hoser	1	1
Rodney Timm	1	1

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DIRECTORS' REPORT

Gowrie NSW's Vision is to contribute to a sustainable society through being at the forefront of Early and Middle Childhood Education and Care to empower and support children, families and professional educators.

Our key strategic priority of achieving 'Greater Reach with Greater Impact' for children, families and professional educators is achieved through:

- Quality - our promise to children and families is exceptional quality every day
- People - we are focused on cultivating an environment where people realise their potential
- Connected to Community - partnerships are developed, strengthened and aligned
- Sustainability - our programs are fully optimised and we are financially viable

Gowrie NSW remains committed to being inclusive.

Total surplus (deficit) before income tax for the year was a deficit of \$2,844,560 (2018: deficit of \$80,577). This variance is attributable to:

- Costs associated with increasing our footprint and reach in NSW;
 - Start up of 3 new Early Education Centres;
 - New OSHC services supporting more regional NSW families;
 - New services supporting families enrolled in the Adult Migrant Education Program based at TAFE
- Investment in systems to support a larger organisation; and
- Lower investment returns and retrospective application of AASB9 Financial Instruments.

The net assets of the company at 30 June 2019 were \$18,327,141 (2018: \$21,171,701). This continues to place the company in a strong financial position to deliver on its vision and key strategies.

Signed in accordance with a resolution of the Directors:



Tessa Hoser
Chairperson



Sean Parker
Treasurer

Sydney, 24 October 2019

GOWRIE NSW
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,307,926	1,473,333
Trade and other receivables	7	1,328,831	1,023,998
<i>Total current assets</i>		<u>2,636,757</u>	<u>2,497,331</u>
Non-current assets			
Property, plant and equipment	8	8,139,302	7,242,164
Financial assets	9	11,409,007	13,589,460
Intangible assets	10	157,607	387,000
<i>Total non-current assets</i>		<u>19,705,916</u>	<u>21,218,624</u>
TOTAL ASSETS		<u>22,342,673</u>	<u>23,715,955</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	3,714,344	2,251,838
Provisions	12	107,546	229,672
<i>Total current liabilities</i>		<u>3,821,890</u>	<u>2,481,510</u>
Non-current liabilities			
Provisions	12	193,642	62,744
<i>Total non-current liabilities</i>		<u>193,642</u>	<u>62,744</u>
TOTAL LIABILITIES		<u>4,015,532</u>	<u>2,544,254</u>
NET ASSETS		<u>18,327,141</u>	<u>21,171,701</u>
FUNDS			
Accumulated funds		18,327,141	19,171,701
Reserves	13	-	2,000,000
TOTAL FUNDS		<u>18,327,141</u>	<u>21,171,701</u>

The accompanying notes form part of these financial statements

GOWRIE NSWSTATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue	4	20,213,674	16,112,059
Other income	4	1,225,232	1,697,004
		<u>21,438,906</u>	<u>17,809,063</u>
Expenses			
Administration expenses		(2,057,736)	(1,701,506)
Fee for service expenses		(4,631,214)	(4,843,728)
Depreciation and amortisation	5	(745,719)	(539,423)
Impairment	5	(566,351)	-
Fair value loss on financial assets	5	(115,836)	-
Occupancy costs	-	(2,269,659)	(846,542)
Salaries and employee benefits		(13,896,951)	(9,958,441)
		<u>(24,283,466)</u>	<u>(17,889,640)</u>
Deficit before income tax		(2,844,560)	(80,577)
Income tax expense		-	-
Surplus (deficit) for the year		(2,844,560)	(80,577)
Other comprehensive income for the year		-	-
Total comprehensive income (loss) for the year		<u>(2,844,560)</u>	<u>(80,577)</u>

The accompanying notes form part of these financial statements

GOWRIE NSWSTATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Funds \$	Building Reserve \$	Financial Assets \$	Total \$
Balance at 1 July 2017	16,882,508	2,000,000	2,369,770	21,252,278
Adjustment from the adoption of AASB 9	2,369,770	-	(2,369,770)	-
Adjusted balance at 1 July 2017	<u>19,252,278</u>	<u>2,000,000</u>	<u>-</u>	<u>21,252,278</u>
Comprehensive income				
Surplus (deficit) for the year	(80,577)	-	-	(80,577)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	<u>(80,577)</u>	<u>-</u>	<u>-</u>	<u>(80,577)</u>
Balance at 30 June 2018	<u>19,171,701</u>	<u>2,000,000</u>	<u>-</u>	<u>21,171,701</u>
Balance at 1 July 2018	19,171,701	2,000,000	-	21,171,701
Comprehensive income				
Surplus (deficit) for the year	(2,844,560)	-	-	(2,844,560)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	<u>(2,844,560)</u>	<u>-</u>	<u>-</u>	<u>(2,844,560)</u>
Transfers to / from reserves	2,000,000	(2,000,000)	-	-
Balance at 30 June 2019	<u>18,327,141</u>	<u>-</u>	<u>-</u>	<u>18,327,141</u>

The accompanying notes form part of these financial statements

GOWRIE NSWSTATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Government funding received		9,658,231	8,940,108
Receipts from fees for services		11,123,246	8,405,541
Investment income received		591,448	800,637
Payments to suppliers and employees		(22,369,520)	(19,022,010)
<i>Net cash flows from operating activities</i>		<u>(996,595)</u>	<u>(875,724)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		28,200	13,812
Proceeds from sale of financial assets		5,545,914	3,816,381
Purchase of property, plant and equipment		(1,665,731)	(497,472)
Purchase of intangible assets		(200,463)	-
Purchase of financial assets		(2,876,732)	(1,835,548)
<i>Net cash flows from investing activities</i>		<u>831,188</u>	<u>1,497,173</u>
Net increase (decrease) in cash and cash equivalents		(165,407)	101,943
Cash and cash equivalents at the beginning of the financial year		<u>1,473,333</u>	<u>1,371,390</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,307,926</u></u>	<u><u>1,473,333</u></u>

The accompanying notes form part of these financial statements

GOWRIE NSW**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2019**Note 1 - Reporting entity**

The financial report includes the financial statements and notes of Gowrie NSW. Gowrie NSW is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements were approved by the Board of Directors on 24 October 2019.

Note 2 - Basis of preparation***Statement of compliance***

Gowrie NSW has adopted Australian Accounting Standards - Reduced Disclosure Requirements as set out in *AASB 1053 Application of Tiers of Australian Accounting Standards* and *AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirement*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Basis of measurement

The financial statements, except for the cash flow information, 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.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates***Impairment***

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

GOWRIE NSW**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2019**Note 2 - Basis of preparation (continued)*****Critical accounting estimates and judgements (continued)******Provision for employee benefits***

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service. The amount of the provision would change should any of these factors change in the next 12 months.

New and revised standards that are effective for these financial statements***AASB 9 Financial Instruments***

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for impairment of financial assets.

The most significant impact of the replacement of AASB 139 by AASB 9 for the company is the discontinuation of the "available for sale" default financial asset category under AASB 139 that was applicable to the company's managed funds investment portfolio. Under AASB 139 these financial assets were recognised at fair value through other comprehensive income and the aggregate of current and prior years unrealised fair value gains attributable to these financial assets were recorded in the Financial Assets Reserve.

Under AASB 9, the company's managed funds investment portfolio is classified as a "financial asset at fair value through profit and loss" with annual unrealised fair value gains or losses recorded in profit and loss; and not other comprehensive income. Prior years aggregate unrealised fair value gains have been transferred from the Financial Assets Reserve to Accumulated Funds through the Statement of Changes in Funds.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been early adopted by the company. These include:

- AASB 15 *Revenue from Contracts with Customers* (effective for the year ending 30 June 2020)
- AASB 16 *Leases* (effective for the year ending 30 June 2020)
- AASB 1058 *Income of Not-for-profit Entities* (effective for the year ending 30 June 2020)

The Directors' assessment of the impact of these new standards (to the extent applicable to the company) is that none are expected to significantly impact the company's financial statements in future reporting periods.

Note 3 - Statement of accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income tax

Gowrie NSW is a not-for-profit Charity and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

GOWRIE NSW**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2019**Note 3 - Statement of accounting policies*****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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Government grants

The company receives a variety of state and federal grants supporting the strategy of the organisation. The company's education and care centres, outside school hours care centres and other services and support activities are supported by grants received from federal and state governments. Grants received on condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.

Fees for service

Fees charged for services at the education and care and outside school hours care centres are recognised when the service is provided.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest rate method. Dividends from listed entities are recognised when the right to receive a dividend has been established.

Rendering of services

Revenue from the rendering of a service, other than child care, is recognised upon the delivery of the service to the customers.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve 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.

Trade receivables

Trade receivables, which comprise amounts due from services and for education and care, outside school hours care and professional learning services provided, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Education and care and outside school hours care service is required to be paid one week in advance. Terms of settlement for other receivables are 30 days. An allowance for bad debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

GOWRIE NSWNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019Note 3 - Statement of accounting policies (continued)***Property, plant and equipment***Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any property, plant and equipment donated to the company or acquired for nominal cost are recognised at fair value at the date the company obtains control of the assets.

Subsequent costs

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 company 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.

Carrying Amount

The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Depreciation and amortisation

The depreciable amount of all property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation effective life used for each class of depreciable assets is:

Buildings	4%
Leasehold improvements	10% - 40%
Computer equipment	20% - 33.3%
Plant and equipment	10% - 60%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

GOWRIE NSWNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019Note 3 - Statement of accounting policies (continued)*Financial instruments*Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement*Financial assets*

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset
- the business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- the financial asset is managed solely to collect contractual cash flows
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Fair value through other comprehensive income

Investments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

GOWRIE NSWNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019Note 3 - Statement of accounting policies (continued)***Financial instruments (continued)******Financial assets at fair value through profit or loss***

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Deferred income

The liability for deferred income is the un-utilised amounts of grants received on the condition that specified services are fulfilled. The services are usually provided, or the conditions usually fulfilled, within 12 months of the receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

GOWRIE NSWNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019Note 3 - Statement of accounting policies (continued)*Employee benefits*

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

GOWRIE NSWNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<u>Note 4 - Revenue and other income</u>		
Operating revenue		
Government funding - AMEP	7,836,890	7,090,869
Government funding - Other	1,558,328	2,038,776
Fees for service	10,367,279	6,717,396
Professional learning and consulting services	421,849	209,199
Other operating revenue	29,328	55,819
<i>Total operating revenue</i>	<u>20,213,674</u>	<u>16,112,059</u>
Other income		
Investment income	620,667	832,265
Net gain on disposal of financial assets	604,565	279,832
Fair value gain on financial assets	-	584,907
<i>Total other income</i>	<u>1,225,232</u>	<u>1,697,004</u>
<i>Total revenue and other income</i>	<u>21,438,906</u>	<u>17,809,063</u>
<u>Note 5 - Expenses</u>		
Depreciation and amortisation	745,719	539,423
Fair value loss on financial assets	115,836	-
Impairment - intangible assets	424,530	-
Impairment - trade receivables	141,821	-
Net loss on disposal of property, plant and equipment	-	25,745
Rental expenses relating to operating leases	1,783,668	609,099
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	650,612	436,503
Deposits at call	657,314	1,036,830
<i>Total cash and cash equivalents</i>	<u>1,307,926</u>	<u>1,473,333</u>
<u>Note 7 - Trade and other receivables</u>		
<u>Current</u>		
Trade receivables	959,888	545,684
Provision for impairment	<u>(166,821)</u>	<u>(25,000)</u>
	793,067	520,684
Interest receivable	283,937	254,718
Other receivables	168,234	167,969
Prepayments	83,593	80,627
<i>Total current trade and other receivables</i>	<u>1,328,831</u>	<u>1,023,998</u>
<u>Provision for impairment</u>		
Opening net carrying value	25,000	25,000
Increase (decrease) in provision	<u>141,821</u>	-
Closing net carrying value	<u>166,821</u>	<u>25,000</u>

GOWRIE NSW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 8 - Property, plant and equipment

	Capital WIP	Leasehold Improvements	Land & Buildings
	\$	\$	\$
At 30 June 2018			
Cost	122,775	3,885,943	3,336,044
Accumulated depreciation	-	(439,982)	(162,209)
<i>Net carrying amount</i>	<u>122,775</u>	<u>3,445,961</u>	<u>3,173,835</u>
Movements in carrying amounts			
Opening net carrying amount	122,775	3,445,961	3,173,835
Additions	374,994	998,903	-
Disposals	(28,200)	-	-
Reclassification	(94,575)	46,511	-
Depreciation charge for the year	-	(323,436)	(121,657)
Closing net carrying amount	<u>374,994</u>	<u>4,167,939</u>	<u>3,052,178</u>
At 30 June 2019			
Cost	374,994	4,931,356	3,336,044
Accumulated depreciation	-	(763,417)	(283,866)
<i>Net carrying amount</i>	<u>374,994</u>	<u>4,167,939</u>	<u>3,052,178</u>
	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
At 30 June 2018			
Cost	932,915	53,705	8,331,382
Accumulated depreciation	(465,227)	(21,800)	(1,089,218)
<i>Net carrying amount</i>	<u>467,688</u>	<u>31,905</u>	<u>7,242,164</u>
Movements in carrying amounts			
Opening net carrying amount	467,688	31,905	7,242,164
Additions	291,834	-	1,665,731
Disposals	-	-	(28,200)
Reclassification	35,164	-	(12,900)
Depreciation charge for the year	(271,548)	(10,852)	(727,493)
Closing net carrying amount	<u>523,138</u>	<u>21,053</u>	<u>8,139,302</u>
At 30 June 2019			
Cost	1,257,872	53,705	9,953,971
Accumulated depreciation	(734,734)	(32,652)	(1,814,669)
<i>Net carrying amount</i>	<u>523,138</u>	<u>21,053</u>	<u>8,139,302</u>

GOWRIE NSW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018	
	\$	\$	
Note 9 - Financial assets			
Non-current			
Financial assets at fair value through profit and loss			
Shares in listed entities	11,409,007	13,589,460	
<i>Total non-current financial assets</i>	<u>11,409,007</u>	<u>13,589,460</u>	
Movements in carrying amount			
Opening net carrying amount	13,589,460	14,705,554	
Additions	2,876,732	1,835,548	
Disposals	(4,941,349)	(3,536,549)	
Fair value gain (loss)	(115,836)	584,907	
Closing net carrying amount	<u>11,409,007</u>	<u>13,589,460</u>	
Note 10 - Intangible assets			
	Goodwill	Software	Total
	\$	\$	\$
At 30 June 2018			
Cost	387,000	53,505	440,505
Accumulated amortisation	-	(53,505)	(53,505)
<i>Net carrying amount</i>	<u>387,000</u>	<u>-</u>	<u>387,000</u>
Movements in carrying amounts			
Opening net carrying amount	387,000	-	387,000
Additions	-	200,463	200,463
Reclassification	-	12,900	12,900
Amortisation charge for the year	-	(18,226)	(18,226)
Impairment	(387,000)	(37,530)	(424,530)
Closing net carrying amount	<u>-</u>	<u>157,607</u>	<u>157,607</u>
At 30 June 2019			
Cost	-	223,300	223,300
Accumulated amortisation	-	(65,693)	(65,693)
<i>Net carrying amount</i>	<u>-</u>	<u>157,607</u>	<u>157,607</u>
	2019	2018	
	\$	\$	
Note 11 - Trade and other payables			
Current			
Trade payables	1,901,329	849,346	
Grants and revenue received in advance	479,245	216,232	
Liabilities to employees	1,134,493	964,010	
Other payables	199,277	222,250	
<i>Total current trade and other payables</i>	<u>3,714,344</u>	<u>2,251,838</u>	

GOWRIE NSWNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<u>Note 12 - Provisions</u>		
<u>Current</u>		
Employee entitlements - long service leave	107,546	109,672
Make good provision - leasehold improvements	-	120,000
<i>Total current provisions</i>	<u>107,546</u>	<u>229,672</u>
<u>Non-current</u>		
Employee entitlements - long service leave	97,182	62,744
Make good provision - leasehold improvements	96,460	-
<i>Total non-current provisions</i>	<u>193,642</u>	<u>62,744</u>
<u>Note 13 - Key management personnel</u>		
<i>Remuneration of key management personnel</i>		
The aggregate amount of compensation paid to key personnel during the year was:		
	<u>935,919</u>	<u>842,956</u>
<u>Note 14 - Commitments</u>		
<i>(a) Capital commitments</i>		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
	<u>168,000</u>	<u>198,176</u>
<i>(b) Operating lease commitments</i>		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	2,051,000	803,888
Later than one year but not later than five years	5,717,740	2,215,211
Later than five years	2,545,805	1,343,471
	<u>10,314,545</u>	<u>4,362,570</u>

The company has entered into commercial leases of land and buildings and office equipment. These leases have an average term of between two and 10 years with renewal options included in certain contracts.

(c) Contingent liabilities

The company has three bank guarantees in place totalling \$588,173 (2018: \$284,317). The company has six term deposits in place to cover these guarantees (2018: two).

GOWRIE NSWNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**Note 15 - Events occurring after balance date**

There were no significant events occurring after balance date.

Note 16 - Related party transactions***Directors' remuneration***

In accordance with the company's Constitution, a Director is not to be paid fees for acting as such except payment or reimbursement of reasonable disbursements relating to the business and activities of the company.

Note 17 - Limitation of members' liability

The company is registered as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$50 per member. At 30 June 2019 the number of members of this company was 8 (2018: 8).

GOWRIE NSW
ABN 57 001 894 659

FINANCIAL REPORT - 30 JUNE 2019

DIRECTORS' DECLARATION

The Directors of Gowrie NSW declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Tessa Hoser
Chairperson



Sean Parker
Treasurer

Sydney, 24 October 2019

GOWRIE NSW
ABN 57 001 894 659

FINANCIAL REPORT - 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOWRIE NSW

Opinion

We have audited the financial report of Gowrie NSW (the company) which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying financial report of Gowrie NSW is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year then ended, and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and 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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company'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 Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the company's financial reporting process.

GOWRIE NSW
ABN 57 001 894 659

FINANCIAL REPORT - 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOWRIE NSW

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 and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Stewart Brown
Chartered Accountants



S.J. Hutcheon
Partner

24 October 2019

