

2022.



Rotary Down Under Annual Report 2022-23

# Board of Directors 2022-2023



**Tim Moore**  
*Chair*



**Craig Edmonston**  
*Deputy Chair*



**Brian Eddy**  
*Finance Director*



**Jennie Herring**  
*Editorial Committee Chair*



**Kalma McLellan**



**Brian Peters**



**Wayne Milnes**



**Bob Calvert**  
*DG Representative*



**Craig Dowling**  
*DGE Representative*

# Rotary Down Under Staff 2022-2023



**Gay Kiddle**  
*General Manager*



**Meagan Martin**  
*Editor*



**Samantha Ausburn**  
*Club Relationship &  
Merchandise Manager*



**Mim Amble**  
*RDU Supplies*



**Nina Hagan**  
*RDU Supplies*



**Rhys Martin**  
*Magazine Design &  
Social Media*



**Melinda Merton**  
*Graphic Designer*

## By Tim Moore

RDU is an amazing organisation, it is not just great because of the strength of its readership, the supply of high-quality stories on Rotary Club projects nor the work of the committed and united board, but the abilities of our staff and their leadership.

I have been a member of the board of directors for 7 years, 6 representing the Victorian districts and another co-opted by the board more recently. Many would be aware of the work and influence of the magazine over the years.

After the sale of the building in Hunter St Parramatta, RDU has been able to purchase property that has become a hub of Rotary in our region. Our building now houses Rotary International South Pacific and Philippines Office, The Rotary Foundation, Australian Rotary Health, Rotary Australia World Community Service and ShelterBox Australia. A true hub of Rotary and some of its entities. We have space to provide training, meeting spaces and events for larger groups, such as the DGN 'get to know us' meetings.

Following the successful completion of the sale of the Hunter St and purchase of the Maitland Place properties, the RDU Group is now in a very strong financial position. This has enabled the holding entity, RDU Incorporated, to make significant contributions to support a number of Rotary projects. In particular The Rotary Foundation; End Polio Now; Rotarians Against Malaria (RAMS); Disaster Aid Australia; Australian Rotary Health; Rotary Oceania Medical Aid for Children (ROMAC); ShelterBox Australia and New Zealand Flood Relief.

RDU is aware of the threats and strengths of being a regional magazine. Over the last year the board has met and discussed the strengths and challenges of providing our regional magazine and how to best serve our members in the digital world. In conjunction with our Editorial and Media team we are investigating how best to serve our readers, given our diverse country range, languages and needs and abilities.

Proposals include a package of alternative ways to experience the work of Rotary in our Zone on demand, via online articles, interest group priorities, use of preferred language and access to a large database of past articles and projects to search.

Exciting times as the plans come to fruition in the coming year. As a prelude to that, and as a result of the handsome trading results of RDU Supplies for 2022/23, the RDU Council has approved the application of a 10% discount to the January 2024



Subscription Invoices. In noting the success of RDU Supplies, it is appropriate to recognise the remarkable efforts of Gay Kiddle, Sam Ausburn and Belinda Griffen. Their dedication and contribution to arranging and conducting the RDU Supplies Booth at the 2023 Rotary International Convention in Melbourne enabled the Booth to be an outstanding success.

Thank you to all who have given me the opportunity to be a part of this great organisation.

TIM MOORE  
Chairman



By Gay Kiddle

It has now been two years since RDU moved into our new building in Norwest, NSW along with Rotary International South Pacific and Philippines Office, Australian Rotary Health, Rotary Australia World Community Service and ShelterBox Australia and I'm sure all Rotary entities would agree on the positive impact this purpose designed accommodation has had on our teams as well as the benefits that come with shared resources and collaboration.

In February this year we hosted our 2nd District Governor Nominee information event at our Norwest Office. It was another successful gathering aided by the functionality of our meeting rooms, break out and catering spaces. It also provided an opportunity to meet with the District Governors Nominee and explain how each of the Rotary entities work and how we can support them in their DG year.

#### **RDU Supplies**

RDU Supplies joined the many booths in the House of Friendship at the RI World Convention in May this year. The lead up to the Melbourne Convention required many hours to identify which items to sell and estimate how much stock to transport – a logistical challenge, but one we can look back on proudly as being a huge success. It was great to have the opportunity to showcase our quality merchandise as well as meet overseas suppliers that we have dealt with for many years over email in a face-to-face forum. The feedback from Rotarians on being able to see many items in person was very positive.



#### **The Environment**

In support of Rotary International's 7th Area of Focus being Supporting the Environment, we have moved towards a fully compostable postal wrap for our magazine which will launch from the November issue of RDU. It is a plant, starch-based film which is home compostable and can be recycled through organic recovery and we are very proud of this opportunity to support such an important initiative.



#### **RDU Team**

In March this year we said goodbye to Mim Amble who has retired and leaves our Rotary family to spend more time with her own family. Mim has worked in the supplies area for 17 years, managing the processing of orders, dealing with our suppliers and overseeing the customisation of many of our products. Mim was well known by many Rotarians and always went above and beyond in her efforts to assist clubs with their needs and deliver superior customer service. We wish Mim many years of happiness in her retirement.

Nina Hagan has replaced Mim and has seamlessly slotted into the RDU team .

#### **The Board**

This year we see four of our Directors complete their term on the RDU Board. We thank them for their support, dedication, and commitment to Rotary Down Under. Their skill set and guidance has been crucial to the success of RDU and they leave us in a strong position to tackle any challenge.

Finally, I would like to thank the 2022-2023 District Governors for supporting and valuing Rotary Down Under magazine.

RDU have a small but dedicated team that work hard to produce this quality magazine which proudly showcases the wonderful projects and humanitarian efforts of Rotarians across our Zone.

*Gay Kiddle*

GAY KIDDLE  
General Manager

## By Meagan Martin

Despite the numerous disasters that devastated communities across the globe, 2023 provided some wonderful opportunities for collaboration within Rotary Down Under.

Following the heartbreaking earthquakes that struck Türkiye and Syria in February, taking the lives of more than 50,000 people and destroying over 345,000 apartments, we reached out to Editor in Chief of the Turkish Rotary magazine, Murat Sevinc, and District 2440 (West and South Türkiye) Governor Serdar Durusut, who gave us firsthand accounts of the humanitarian crisis and provided details on how Rotary was assisting and the best ways our readers could support their efforts.

Closer to home, we have worked in collaboration with the Rotary International South Pacific and Philippines Office on two editions this year.

We shook things up in August with a special flip section dedicated to all things membership. RISPPPO's Michelle Gallace, Barbara Mifsud and Grace Ramirez were invaluable in assisting us put together this wonderful membership tool for our readers.

We also stepped things up a notch in November. While we have previously allocated a large section of the November edition to The Rotary Foundation, this year we decided to dedicate the entire magazine to TRF. Again, RISPPPO's Angela Stavrogianopoulos and Rotary Foundation Australia's Mark Anderson were invaluable assets in producing this special guide to our Foundation.

The Rotary Convention in Melbourne in May provided another opportunity for collaboration. Rotary magazine in the US enlisted both myself and RDU creative and digital content director/photographer Rhys Martin to research and photograph our capital of culture and produce a destination feature on the city. We spent a chilly but productive week winding our way through the city's bustling streets and laneways, where we met with Melbourne Rotarians to get local perspectives on their much-loved hometown.

This feature was published in both the US Rotary magazine and each of the regional Rotary magazines. In Rotary Down Under, we expanded the feature into a three-part series to ensure convention-goers enjoyed the full Melbourne experience during their stay.

The convention also proved a highlight in terms of our social media platforms, with the content generated receiving some of our biggest engagement figures to date. Daily posts were reaching up to 15,000 in many cases.



Special projects aside, throughout 2023 we have continued our successful series of district features, shining a light on our individual Rotary districts and highlighting the incredible work they are undertaking both locally and further afield. The features have gone from strength to strength, with each district thrilled to have their service showcased to a wider audience.

Many district governors and Rotary members have commented on how the features inspire them to imagine what is possible by showcasing projects other clubs and districts are undertaking and sparking new ideas and possibilities.

From the Rotary Club of Palm Beach's Channel 7 Rockingham Beach Cup (a finalist in the 2022 Perth Airport WA Tourism Awards) to the Middle-earth Halfling Marathon, held around the picturesque Hobbiton Movie Set in New Zealand, Rotarians in Zone 8 sure know how to align themselves with some unique and inspiring events.

Digital media and technology are currently at the forefront of Rotary International's communication strategy discussions and were the topic of the day at the Rotary regional magazines editors' seminar in June. RI regional content and magazine lead Gundula Miethke emphasised the importance of assessing and progressing our digital media platforms. RI will be assessing the level each magazine is at in terms of their current digital publications and social media strategies and, over the coming 12 months, is encouraging each magazine to upgrade to the next level of digitalisation.

This led to a productive strategic planning seminar at RDU headquarters in August, where the future of Rotary Down Under was brainstormed and reimaged by the RDU board and staff. Thanks go to our creative and digital content director Rhys Martin,

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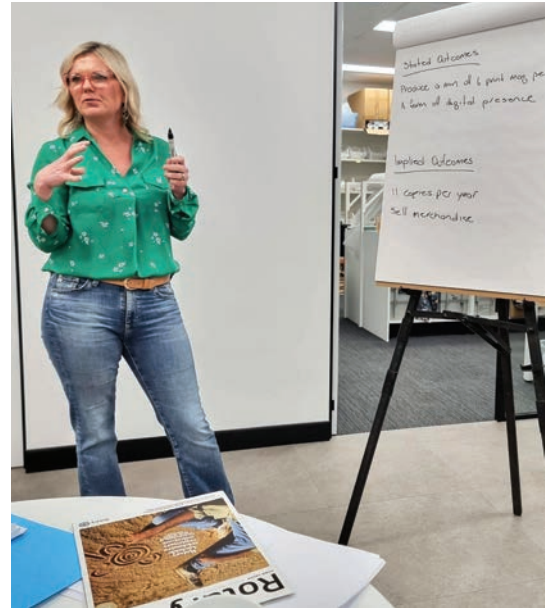
who presented an alternate path forward for our future communications. Thanks also go to facilitator Mark Wheeler, who volunteered his time to ensure the weekend was a success.

Lastly, thank you to the RDU board and staff for their continued support, which allows us to push the boundaries and remain at the forefront of Rotary communications in Zone 8.

Warm regards,

*Meagan Martin*

MEAGAN MARTIN  
Editor



# **Rotary Down Under Incorporated and Controlled Entities**

**ABN: 62 113 485 795**

## **Financial Report**

**For the Year Ended 30 June 2023**

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

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# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Councillors' Report

30 June 2023

The Councillors present the financial report of Rotary Down Under Incorporated and Controlled Entities (the Group) for the financial year ended 30 June 2023.

### Councillors

The names of the Councillors in office at any time during the year and at the date of this report are:

<b>Names</b>	<b>Appointed</b>
Timothy Leslie Moore (Chair)	
Craig William Edmonston (Deputy Chair)	
Brian Millsteed Eddy	
Jennifer Lynn Herring	
Brian Leslie Peters	
Robert Heywood Calvert	
Kalma Mclellan	
Craig Richmond Dowling	Appointed 19 December 2022
Wayne Milnes	Appointed 19 December 2022

### Principal activities

The principal activities of the Group during the financial year were to publish the official magazine, known as Rotary Down Under for the members of the Rotary Clubs in Australia, New Zealand, their Territories and Dependencies and the Islands of the Pacific Ocean south of the Equator, to advance the Object of Rotary and to develop Rotary programs. The Group also conducted a service for the supply of goods, bearing the Rotary emblem as the official licensee of Rotary International.

The principal activity of Rotary Down Under Incorporated (the Parent) was property investment. This activity is to further the not-for-profit objectives of Rotary Down Under Inc. Group.

### Significant changes

No significant change in the nature of these activities occurred during the year.

### Operating result

The consolidated profit of the Group for the financial year amounted to \$292,204 (2022: restated profit \$138,076).

### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

### Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Councillors' Report

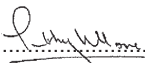
30 June 2023


### Indemnification and insurance of officers and auditors

The Councillors of the Group are covered by insurance through Rotary International's insurance policy with AON.

No other indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Signed in accordance with a resolution of the Council:

Councillor:   
.....  
Timothy Leslie Moore

Councillor:   
.....  
Craig William Edmonston

Dated 6 October 2023

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 Restated \$
Revenue	4	2,046,303	1,873,486
Cost of sales		(521,858)	(422,216)
Gross profit		1,524,445	1,451,270
Other income	4	43,652	104,914
Administrative costs		(630,172)	(661,786)
Depreciation		(150,857)	(145,273)
Distribution costs		(232,127)	(247,115)
Finance expense		(9,906)	(717)
Marketing costs		(147,206)	(184,516)
Occupancy costs		(98,586)	(161,132)
Other expenses		(7,039)	(17,569)
<b>Profit before income tax</b>		292,204	138,076
Income tax expense	2(c)	-	-
<b>Total comprehensive income for the year</b>		292,204	138,076

The accompanying notes form part of these financial statements.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 Restated \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,384,080	3,045,482
Trade and other receivables	6	30,021	21,305
Inventories	7	73,889	65,548
Other financial assets	8	2,100,029	-
<b>TOTAL CURRENT ASSETS</b>		<u>3,588,019</u>	<u>3,132,335</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	6,051,110	6,198,111
Right-of-use assets	10	22,620	14,217
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,073,730</u>	<u>6,212,328</u>
<b>TOTAL ASSETS</b>		<u>9,661,749</u>	<u>9,344,663</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	78,259	101,442
Lease liabilities	10	7,281	5,228
Employee benefits	13	119,534	106,317
Other liabilities	12	20,406	4,571
<b>TOTAL CURRENT LIABILITIES</b>		<u>225,480</u>	<u>217,558</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10	15,771	4,995
Employee benefits	13	16,800	10,616
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>32,571</u>	<u>15,611</u>
<b>TOTAL LIABILITIES</b>		<u>258,051</u>	<u>233,169</u>
<b>NET ASSETS</b>		<u>9,403,698</u>	<u>9,111,494</u>
<b>EQUITY</b>			
Retained earnings		9,403,698	9,111,494
<b>TOTAL EQUITY</b>		<u>9,403,698</u>	<u>9,111,494</u>

The accompanying notes form part of these financial statements.

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2022</b>	9,111,494	9,111,494
Profit for the year	292,204	292,204
<b>Balance at 30 June 2023</b>	<u>9,403,698</u>	<u>9,403,698</u>

2022

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2021</b>	8,973,418	8,973,418
Profit for the year	138,076	138,076
<b>Balance at 30 June 2022</b>	<u>9,111,494</u>	<u>9,111,494</u>

The accompanying notes form part of these financial statements.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	Restated \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,060,521	2,726,431
Payments to suppliers and employees	(3,745,528)	(1,721,501)
Interest received	38,064	6,528
Interest paid	(2,334)	(717)
<b>Net cash provided by/(used in) operating activities</b>	<u>(1,649,277)</u>	<u>1,010,741</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(3,857)	(1,083,073)
<b>Net cash used in investing activities</b>	<u>(3,857)</u>	<u>(1,083,073)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	(8,268)	(7,551)
<b>Net cash used in financing activities</b>	<u>(8,268)</u>	<u>(7,551)</u>
<b>Net decrease in cash and cash equivalents held</b>	(1,661,402)	(79,883)
Cash and cash equivalents at beginning of year	3,045,482	3,125,365
<b>Cash and cash equivalents at end of financial year</b>	5 <u>1,384,080</u>	<u>3,045,482</u>

The accompanying notes form part of these financial statements.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

The financial report covers Rotary Down Under Incorporated and its controlled entity ('the Group'). Rotary Down Under is a not-for-profit Association incorporated and domiciled in New South Wales under the *Associations Incorporations Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016* ('the Act').

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Councillors on 6 October 2023.

Certain reclassifications and adjustments have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statements of cash flows and the related notes to the financial statements. Refer to Note 15 for the impact on the restatement of comparatives.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Associations Incorporations Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016* ('the Act')

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

The controlled entity of the Association during the financial year is R D U Pty Ltd.

##### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

##### (b) Revenue and other income

###### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

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, contract asset or contract liability.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (b) Revenue and other income

##### Revenue from contracts with customers

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

##### Subscription income

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

##### Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

#### (c) Income Tax

The Group is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

##### Land and buildings

Land and buildings are measured using the revaluation model.



# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies

##### (f) Property, plant and equipment

###### Plant and equipment

Plant and equipment are measured using the cost model.

###### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings & improvements	2.5% - 10%
Furniture, fixtures and fittings	13.33% - 100%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (g) Investment property

Investment property is recognised as part of property, plant and equipment as the property is held for strategic purposes in accordance with AASB 140: Investment Property paragraph 9 - AUS9.1.

##### (h) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

###### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

###### Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Financial assets

###### *Amortised cost*

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies

##### (h) Financial instruments

###### Financial assets

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables and lease liabilities.

##### (i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### (j) Leases

###### Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

###### Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies

##### (k) Employee benefits

Provision is made for the Group'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

#### 3 Critical Accounting Estimates and Judgments

The Councillors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - impairment of property, plant and equipment**

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

##### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

##### **Key estimates - property held at fair value**

The property was purchased on 15 January 2021 at a cost of \$5,260,025. The Councillors therefore believe the purchase price of the property is reflective of the fair value as at 30 June 2023 and have determined for the property for own-use to be held at the portion of the fair value minus accumulated depreciation.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

##### **Key judgments - employee benefits**

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

##### **Control assessment**

Rotary Down Under Incorporated and R D U Pty Ltd share a common Board. Rotary Down Under Incorporated has determined that it has control over R D U Pty Ltd as it has the power to direct the activities that significantly affect its returns through control of the Board.

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Notes to the Financial Statements

#### For the Year Ended 30 June 2023

	2023	2022 Restated
	\$	\$
<b>4 Revenue and Other Income</b>		
Revenue		
- Subscriptions and advertising	1,177,859	1,157,217
- Merchandise sales	558,709	428,089
- Rental income	309,735	288,180
	2,046,303	1,873,486
Other income		
- Interest received	38,064	6,528
- Income from property make-good and asset sale	-	90,000
- Other income	5,588	8,386
	43,652	104,914
	2,089,955	1,978,400
<b>5 Cash and Cash Equivalents</b>		
Cash at bank and in hand	1,384,080	3,045,483
<b>6 Trade and Other Receivables</b>		
CURRENT		
Trade receivables	5,450	4,982
Provision for impairment	(1,000)	-
	4,450	4,982
Prepayments	25,571	-
GST receivable	-	16,323
	30,021	21,305
	30,021	21,305
<b>7 Inventories</b>		
CURRENT		
At cost:		
Work in progress	1,955	-
Finished goods	68,944	65,548
Goods in transit	2,990	-
	73,889	65,548
	73,889	65,548

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Notes to the Financial Statements For the Year Ended 30 June 2023

	2023	2022 Restated
	\$	\$
<b>8 Other Financial Assets</b>		
CURRENT		
Investment portfolio	2,100,029	-
	2,100,029	-
 <b>9 Property, plant and equipment</b>		
Buildings		
At fair value	5,260,025	5,260,025
Accumulated depreciation	(110,060)	(55,030)
	5,149,965	5,204,995
 Furniture, fixtures and fittings		
At cost	1,263,110	1,259,253
Accumulated depreciation	(361,965)	(266,137)
	901,145	993,116
	6,051,110	6,198,111

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Furniture, Fixtures and Fittings	Total
	\$	\$	\$
<b>Year ended 30 June 2023</b>			
Balance at the beginning of year	5,204,995	993,116	6,198,111
Additions	-	3,856	3,856
Depreciation expense	(55,030)	(95,827)	(150,857)
	5,149,965	901,145	6,051,110

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 10 Leases

##### The Group as a lessee

The Group has leases over a printer and telephone system with both having a lease term of 60 months. Lease payments are fixed during the lease term.

##### Right-of-use assets

	Office Equipment \$
<b>Year ended 30 June 2023</b>	
Balance at beginning of year	14,217
Depreciation charge	(2,095)
Additions to right-of-use assets	10,498
<b>Balance at end of year</b>	<u>22,620</u>

##### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
<b>2023</b>				
Lease liabilities	8,268	16,536	24,804	23,052
<b>2022</b>				
Lease liabilities	8,268	5,364	13,632	10,220

##### Extension options

The leases do not have an extension option which allows the Group to extend the lease term.

#### 11 Trade and Other Payables

	2023 \$	2022 Restated \$
<b>CURRENT</b>		
Trade payables	64,789	59,540
GST payable	5,417	-
Other payables	8,053	41,902
	<u>78,259</u>	<u>101,442</u>

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Notes to the Financial Statements

#### For the Year Ended 30 June 2023

	2023	2022 Restated
	\$	\$
<b>12 Other Liabilities</b>		
CURRENT		
Rent received in advance	11,060	2,930
Other revenue received in advance	9,346	1,641
	20,406	4,571
	20,406	4,571
<b>13 Employee Benefits</b>		
CURRENT		
Annual leave	56,107	42,378
Long service leave	63,427	63,939
	119,534	106,317
	119,534	106,317
NON-CURRENT		
Long service leave	16,800	10,616
	16,800	10,616
	16,800	10,616

#### 14 Retrospective Restatement

A prior year accounting error was retrospectively adjusted to record depreciation expense of the owned property. The aggregate effect of the adjustment on the financial statements for the year ended 30 June 2022 is as follows:

	Previously stated	30 June 2022 Adjustments	Restated
	\$	\$	\$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Total comprehensive income	193,106	(55,030)	138,076
<b>Statement of Financial Position</b>			
Total property, plant and equipment	6,253,141	(55,030)	6,198,111
Total equity	9,166,524	(55,030)	9,111,494

#### 15 Key Management Personnel Disclosures

There was no remuneration paid to key management personnel of the Group during the financial year (2022: Nil).



# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

	2023	2022
	\$	Restated \$
<b>16 Auditors' Remuneration</b>		
Remuneration of the auditor National Audits Group, for:		
- auditing the financial statements	10,000	-
- other services*	2,500	-
	<hr/>	<hr/>
Remuneration of the previous auditor Bentleys, for:		
- auditing or reviewing the financial statements of subsidiaries	-	16,500
	<hr/>	<hr/>
	12,500	16,500
	<hr/> <hr/>	<hr/> <hr/>

\*Other services include assistance in the compilation of the financial report.

#### 17 Contingencies

In the opinion of the Councillors, the Group did not have any contingencies at 30 June 2023 (30 June 2022:None).

#### 18 Related Parties

##### (a) The Group's main related parties are as follows:

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

##### (b) Transactions with related parties

There were no material transactions with related parties during the year. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

#### 19 Events after the end of the Reporting Period

The financial report was authorised for issue on 6 October 2023 by the Council.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

#### 20 Economic Dependence

Rotary Down Under Inc has two divisions being the production of the official Rotary regional magazine for Australia, New Zealand and the South-West Pacific Islands, and the sale of Rotary merchandise. Both divisions operate under license agreements from Rotary International. Furthermore, under the Rotary Code of Policies, all Rotarians are subject to mandatory subscription to a Rotary magazine, and the majority of Rotarians based in Australia, New Zealand and Oceania subscribe to Rotary Down Under.

At the date of this report the board of Councillors believe the licence agreements and mandatory subscription to magazines by Rotarians will remain in place, and do not expect any changes during the year.

# **Rotary Down Under Incorporated and Controlled Entities**

**ABN: 62 113 485 795**

## **Notes to the Financial Statements For the Year Ended 30 June 2023**

### **21 Statutory Information**

The registered office and principal place of business of the company is:  
Rotary Down Under Incorporated  
Suite 25, 1 Maitland Place  
NORWEST NSW 2153

# Rotary Down Under Incorporated and Controlled Entities

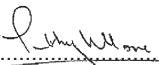
ABN: 62 113 485 795


## Councillors' Declaration

The Councillors of the Group declare that:

1. The financial statements and notes, as set out on pages 3 to 18, are in accordance with the *Associations Incorporations Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016* ('the Act'), and:
  - a. comply with Australian Accounting Standards - Simplified Disclosure Standard 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date.
2. In the Councillors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Councillor .....  
  
Timothy Leslie Moore

Councillor .....  
  
Craig William Edmonston

Dated 6 October 2023

**ROTARY DOWN UNDER INCORPORATED AND CONTROLLED ENTITIES**

ABN: 62 113 485 795

**INDEPENDENT AUDITOR'S REPORT****FOR THE YEAR ENDED 30 JUNE 2023****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Rotary Down Under Incorporated and Controlled Entities (the Group), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Councillors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Associations Incorporation Act (NSW) 2009*, *Associations Incorporation Regulation (NSW) 2016*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with the Australian Accounting Standards – Simplified Disclosure Standard.

**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 Group in accordance with the auditor independence requirements of the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Councillors for the Financial Report**

The Councillors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Standard and the *Associations Incorporation Act (NSW) 2009*, *Associations Incorporation Regulation (NSW) 2016* and for such internal control as the Councillors determine is necessary to enable the preparation of the 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 Councillors are responsible for assessing the Group'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 Councillors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**ROTARY DOWN UNDER INCORPORATED AND CONTROLLED ENTITIES**  
ABN: 62 113 485 795

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**

**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 independent 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**ROTARY DOWN UNDER INCORPORATED AND CONTROLLED ENTITIES**  
ABN: 62 113 485 795

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**

**Auditor's Responsibilities for the Audit of the Financial Report (Continued)**

We communicate with the Councillors 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. We also provide the Councillors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**National Audits Group Pty Ltd**  
Authorised Audit Company



**Steven Watson**  
Managing Director

**Dated 17 October 2023**

**Sydney**



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Norwest NSW 2153 Australia

GOODS HELPING FRIENDS  
VOLUNTEER  
GROW  
WORK TOGETHER  
PEACE EDUCATION HELP  
A BETTER WORLD LOCAL  
INTERNATIONAL SAVING LOCAL  
SUPPORTING LOCAL PEACE  
EDUCATION LOCAL FUNDRAISING HELPING  
PROTECTING THE ENVIRONMENT COMMUNITY  
SAVING MOTHERS AND CHILDREN ENTHUSIASTIC  
PROVIDING CLEAN WATER, SANITATION AND HYGIENE TOGETHER  
GROWING PEACE WORLD BETTER  
VOLUNTEER ENVIRONMENT  
GOODWILL ENVIRONMENT  
END POLIO EDUCATION PROMOTING  
ROTARIAN LOCAL PEACE  
FELLOWSHIP ACTIVE  
PEACE GROWING PROMOTING ENTHUSIASTIC  
LOCAL ECONOMIES WORKING PEACE  
HELPING FRIENDSHIP SUPPORTING BETTER  
COMMUNITY FRIENDSHIP HELPING WORLD  
SUPPORTING BETTER WORLD SAVING LOCAL  
FIGHTING DISEASE  
VOLUNTEER END POLIO COMMUNITY  
FELLOWSHIP INTERNATIONAL BETTER WORLD ENVIRONMENT PEACE  
FUNDRAISING INTERNATIONAL BETTER WORLD ENVIRONMENT PEACE  
COMMUNITY