



# Rotary Down Under ANNUAL REPORT

2023-2024

**ND**  
to **FAMI**  
**VIOL**

*we say*



# Rotary Down Under Inc Councillors 2023-2024



**Tim Moore**  
Chair  
*Resigned Nov 2023*



**Craig Edmonston**  
Deputy Chair  
*Resigned 2023*



**Brian Eddy**  
Finance  
*Resigned Nov 2023*



**Jennie Herring**  
Editorial Committee Chair  
*Resigned Nov 2023*



**Kalma McLellan**  
Chair  
*Appointed Nov 2023*



**Liz Courtney**  
Deputy Chair  
*Appointed Nov 2023*



**Brian Peters**  
Secretary



**Wayne Milnes**  
Finance



**Andy Rajapakse**



**Craig Dowling**  
DG Representative  
*2023-2024*



**Jocelyn Hogg**  
DGE Representative  
*2023-2024*

# Rotary Down Under Team



**Gay Kiddle**  
General Manager



**Meagan Martin**  
Editor



**Samantha Ausburn**  
Club Relationship &  
Merchandise Manager



**Gwen Walker**  
Proof Reader



**Jaythene Hiscock**  
RDU Supplies



**Rhys Martin**  
Magazine Design &  
Social Media



**Melinda Merton**  
Graphic Designer

# Chair's Report

Rotary Down Under continues to provide services to all Rotarians in our Zone, being responsive to the changing needs of members and the continual call to stay in touch with the operational and information needs of our diverse members.

With this in mind, our annual planning session last November settled on an inspiring mission statement for our business and our members:

## **Communicating - Connecting - Inspiring**

As a Council we have spent much of the last year looking at how we can put this inspiration into practice, including strategic planning, the impact of regionalisation, and ensuring that RDU is set to service all our members well into the future.

At that same meeting I was very humbled to be elected as chair of the RDU Council and to assist the achievement of these goals in any way possible. The Council members are all inspiring forward thinkers with a range of skills to maximise any and all options that arise. The teamwork has made a huge impact over the last year, allowing us to capitalise on that expertise.

This has included guiding the investment policies established by previous Boards and allowing us to again make significant contributions to a number of Rotary projects including the Lismore flood appeal, Interplast, the national Domestic and Family Violence campaign, The Rotary Foundation and Emergency Response Kits for our island nations.

The saddest event this last year was the loss of PDG Bob Aitken AM, a legend in the RDU world and an integral part of its success over such a long period. You will all have had the chance to see the tributes paid to him in our June 2024 edition of the magazine and come to understand the legend that he was. With this in mind, RDU

have decided to launch an editorial scholarship in Bob's name to continue his influence and impact. The annual scholarship will support students with \$10000 towards their editorial studies in his name. A similar annual editorial scholarship will recognise the founder of RDU Magazine, PDG Paul Henningham, without whose efforts in 1965 a local and RI authorised publication would not exist.

The RDU site in Norwest Sydney continues to provide a home for our fellow Rotary entities including Rotary International South Pacific and Philippines Office, The Rotary Foundation, Australian Rotary Health, Rotary Australia World Community Service and ShelterBox Australia. The co-location maximises collaboration and provides a central venue for many of the face-to-face meetings and training events held across all entities.

But nothing would run smoothly without the support of our on-site staff, including General Manager Gay Kiddle and her team of Sam Ausburn and Jaythene Hiscock. And our magazine would not exceed expectations without the input of editor Meagan Martin and her husband Rhys. Our thanks to the whole team are heartfelt and universal.

And the future holds some interesting times as RDU investigates the potential for various models of communication to maintain connection with all Rotarians in our Zone, and at the same time support the restructuring being trialled through the regionalisation pilot. The year ahead promises to provide some exciting options, some exciting communication platforms and some adventurous collaborations to progress our mission. Thank you to everyone who has been part of our journey for the last year – it has been a privilege to serve throughout.

**Kalma McLellan**  
**Chair**

# General Manager's Report

2023-2024 was another busy year for Rotary Down Under, producing 11 issues of our quality magazine and being the main licensed supplier of Rotary branded items in our Zone.

I would like to thank Rotarians for the ongoing support we receive from you as you engage with our magazine and share your stories to inspire others, as well as thanking you for supporting RDU Supplies and seeing the value in what we work so hard to deliver to you.

## **RDU Team**

We have a small, dedicated and talented team that enjoy what they do, motivated by a sense of community, focussed on servicing Rotarians across our region.

In February this year Jaythene Hiscock joined our RDU Team in the RDU Supplies area. Jaythene brings great skills to Rotary Down Under after running a very successful family business and online shop. Her retail and logistical knowledge have been invaluable as we continue to raise the bar in what and how we deliver great merchandise and a superior customer experience for Rotarians.

## **RDU Supplies**

After the resounding success of the RDU Supplies booth at the 2023 Melbourne Convention, we continue to focus on delivering relevant and timely items to enhance your Rotary experience. Weekly promotional emails are sent out to our customer base advising of new products or suitable items for upcoming events

such as World End Polio Day. We regularly review our catalogue and source new products that we feel will be of interest to Rotarians and continue to guide clubs on the correct use of Rotary branding on their customised promotional items.

## **RDU Magazine**

Earlier this year we completed our round of District Features in the magazine and thank all the contributors for working with our editor Meagan Martin to showcase the wonderful work of Rotary in your communities. We continue to collaborate with Rotary International South Pacific and Philippines office when planning our features such as The Rotary Foundation in November, Membership in August and Enhancing Our Public Image in April. We have received very positive feedback on these features which also serve as resource tools for clubs.

## **PDG Bob Aitken AM**

I would like to acknowledge the sad passing of Bob Aitken earlier this year. Bob was appointed editor of Rotary Down Under in 1984 to replace retiring editor Paul Henningham. Bob was a class act who guided many of us that worked under his leadership. He was highly respected among Rotarians, both locally and overseas. Bob was so fiercely focussed on the purpose and value of Rotary and his legacy remains a guiding ethos for those of us working within the RDU organisation.

**Gay Kiddle**  
**General Manager**

## NEW STRUCTURE - OWNERS

RDU Inc

RDU P/L

Members:

- Zone 8 Districts



Sole Shareholder:

- RDU Inc

## New Structure - What

RDU Inc

RDU P/L

- Investment review
- Property oversight



- Operations
- Supplies
- Publications

## New Structure - Who

RDU Inc

RDU P/L

Council:

- Zone 8 RI Director
- 5 x Group PDG reps
- DG Rep
- DGE Rep



Board:

- Council Chair
- Councillor
- 3 x appointments

# RDU CORPORATE STRUCTURE

## RDU Inc

NSW Incorporated Association

Members are Rotary International Districts of Rotary Zone 8

Personal Representatives of each RI District are the current District Governors

Council of up to 8 Councillors

RDU General Manager to attend meetings but no voting rights

Maintains Not for Profit and Tax Exempt status

Owens all RDU Assets

Owens all Issued Shares in RDU Pty Ltd

Leases Publishing and Supplies assets to RDU Pty Ltd

Lease Premises to RDU Pty Ltd and other Rotary and Non Rotary entities

## RDU Pty Ltd

Sole Shareholder RDU Inc

Board of up to 5 Directors appointed by RDU Inc

Maintains Not for Profit and Tax Exempt status

Lease RI licences from RDU Inc

Lease premises from RDU Inc

Publish Rotary Down Under magazine

Provide communications by all media for Rotary throughout Rotary Zone 8

Engages all RDU Staff

# Editor's Report

The end of the 2023-24 Rotary year drew to a sombre close for us all here at Rotary Down Under, with the passing of our dear Bob Aitken, managing editor of RDU from 1984-2014, and friend and mentor to all he called mate.

Tributes poured in from those he knew and loved across the globe, from Governor-General of the Commonwealth of Australia His Excellency General the Honourable David Hurley AC DSC (Retd) to Rotary greats like RI General Secretary John Hewko and RI Past Presidents Ian Riseley AM, Mark Daniel Maloney, John Germ and Bill Boyd CNZM, QSO.

In what we hope was a fitting tribute to a great humanitarian and true gentleman, we published these memories and well-wishes, along with those of many others whose path Bob touched, in our June 2024 edition of Rotary Down Under. We hope it brought a sense of pride and joy to Bob's wife Ann and his extended family to know just how loved this Rotary hero truly was.

On a more positive note, the 2024 Rotary Global Media Network Editors Seminar at One Rotary Centre in Evanston, US, was a great success, providing valuable assurance that Rotary Down Under is on the right track regarding the direction we are taking with RDU.ONE.

The overarching theme of the two-day seminar was 'Rethinking the Magazine'. What is a 'magazine' today, with all the various platforms and outlets of communication available? What does a 'magazine' now look like? How do we adapt to ensure we deliver our various 'magazines' to a broad and diverse audience?

It was unanimously agreed across all regional publications that we must take a multi-platform approach to deliver information as effectively and efficiently as possible. Right on target with our RDU.ONE multi-platform proposal!

Another highlight of our year was the fabulous feedback we received from Rotary International regarding our special public image edition in April. We devoted the entire edition to tips, tricks and examples of how members and clubs can use various media platforms and communication tools to prioritise and promote Rotary's public image both internally and externally.

RI included a link to the edition in their Quarter 4 Brand News newsletter – sent to all current and in-coming club, district and zone leaders as well as club, district and zone public image and

membership chairs (more than 100,000 recipients) – with our cover image and the following write-up:

## Find inspiration from Down Under!

A recent edition of Rotary Down Under magazine is sure to inspire you to promote Rotary. Rotary Down Under's April 2024 issue is devoted to ideas, strategies, and examples to enhance Rotary's public image and communicate our impact and purpose to different audiences. Articles include using community events to build a positive brand image, the power of video in telling your story, and even the role of Generative AI (Artificial Intelligence) in enhancing Rotary's public image.

We encourage you to review this comprehensive issue and find ways to apply the tips and advice provided. Congratulations to Editor Meagan Martin and her team on putting together this impressive edition!

Further praise was received from RI Regional Magazines Coordinator Jennifer Gilbert, who said:

Your April RDU issue on public image and communications is excellent! Would you be willing to share any of this valuable content with the other regional magazines? We would love to let the editors know about the great articles in this issue for use in their magazines.

We happily obliged and the content is now up on the regional magazines SharePoint page.

This edition was a wonderful collaboration between our RDU team, the Rotary International South Pacific and Philippines Office and our then Zone 8 Public Image Coordinators.

As always, I thank our wonderful RDU team and ever supportive Board, who allow us to push the boundaries and remain at the forefront of Rotary communications.

Warm regards,

**Meagan Martin**  
Editor, Rotary Down Under

## The Face of Rotary is You!



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

**ABN: 62 113 485 795**

## **Financial Report**

**For the Year Ended 30 June 2024**

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Contents

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# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Councillors' Report

30 June 2024

The Councillors present the financial report of Rotary Down Under Incorporated and Controlled Entities (the Group) for the financial year ended 30 June 2024.

### Councillors

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

Kalma McLellan (Chair from 17 November 2023)	
Elizabeth Courtney (Deputy Chair)	Appointed 17 November 2023
Ananda Andy Rajapakse	Appointed 17 November 2023
Brian Leslie Peters	
Craig Richmond Dowling	
Jocelyn Hogg	Appointed 1 July 2023
Wayne Milnes	
Timothy Leslie Moore (Chair)	Resigned 17 November 2023
Craig William Edmonston (Deputy Chair)	Resigned 17 November 2023
Brian Millstead Eddy	Resigned 17 November 2023
Jennifer Lynn Herring	Resigned 17 November 2023
Robert Heywood Calvert	Resigned 30 June 2023

### 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 \$357,956 (2023: \$292,204).

### 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 2024

### 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:   
Kalma McLellan

Councillor:   
Elizabeth Courtney

Dated 4 September 2024

## 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 2024

		2024	2023
	Note	\$	\$
Revenue	4	1,851,993	2,046,303
Cost of sales		(463,076)	(521,858)
Gross profit		1,388,917	1,524,445
Other income	4	178,747	43,652
Administrative expenses		(656,982)	(630,172)
Distribution costs		(221,153)	(232,127)
Finance costs		(10,830)	(9,906)
Marketing expenses		(68,735)	(147,206)
Occupancy costs		(106,448)	(98,586)
Other expenses		(145,560)	(157,896)
<b>Profit before income tax</b>		357,956	292,204
Income tax expense	2(c)	-	-
<b>Total comprehensive income for the year</b>		357,956	292,204

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 2024

	Note	2024 \$	2023 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,327,157	1,384,080
Trade and other receivables	5	27,564	30,021
Inventories	6	72,708	73,889
Other financial assets	7	2,645,175	2,100,029
<b>TOTAL CURRENT ASSETS</b>		<b>4,072,604</b>	<b>3,588,019</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	5,909,081	6,051,110
Right-of-use assets	9	15,080	22,620
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,924,161</b>	<b>6,073,730</b>
<b>TOTAL ASSETS</b>		<b>9,996,765</b>	<b>9,661,749</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	58,636	78,259
Lease liabilities	9	7,739	7,281
Employee benefits	11	135,218	119,534
Other liabilities	12	16,081	20,406
<b>TOTAL CURRENT LIABILITIES</b>		<b>217,674</b>	<b>225,480</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	9	8,108	15,771
Employee benefits	11	9,329	16,800
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>17,437</b>	<b>32,571</b>
<b>TOTAL LIABILITIES</b>		<b>235,111</b>	<b>258,051</b>
<b>NET ASSETS</b>		<b>9,761,654</b>	<b>9,403,698</b>
<b>EQUITY</b>			
Retained earnings		9,761,654	9,403,698
<b>TOTAL EQUITY</b>		<b>9,761,654</b>	<b>9,403,698</b>

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 2024

2024

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2023	9,403,698	9,403,698
Profit for the year	357,956	357,956
<b>Balance at 30 June 2024</b>	<b>9,761,654</b>	<b>9,761,654</b>

2023

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

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 2024

	2024	2023
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,849,650	2,076,355
Payments to suppliers and employees	(1,539,412)	(1,661,333)
Interest received	186,253	38,064
Interest paid	(1,064)	(2,334)
<b>Net cash provided by/(used in) operating activities</b>	<u>495,427</u>	<u>450,752</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(3,857)
Payment to acquire financial assets	(545,146)	(2,100,029)
<b>Net cash used in investing activities</b>	<u>(545,146)</u>	<u>(2,103,886)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	(7,204)	(8,268)
<b>Net cash used in financing activities</b>	<u>(7,204)</u>	<u>(8,268)</u>
<b>Net decrease in cash and cash equivalents held</b>	(56,923)	(1,661,402)
Cash and cash equivalents at beginning of year	1,384,080	3,045,482
<b>Cash and cash equivalents at end of financial year</b>	<u>1,327,157</u>	<u>1,384,080</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 2024

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 Councilors on 4 September 2024.

### 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.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

The Company has adopted the amendments to AASB 101 Presentation of Financial Statements which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:

- Relates to change in accounting policy
- Policy has been developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or estimation
- Relates to a complex transaction and is required to explain the treatment to the user.

### 2 Material Accounting Policy Information

#### (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.

# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements For the Year Ended 30 June 2024

### 2 Material Accounting Policy Information

#### (b) Revenue and other income

##### Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control 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.

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) 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.

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

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

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

##### Land and buildings

Land and buildings are measured using the cost model.

##### Plant and equipment

Plant and equipment are measured using the cost model.



# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 2 Material Accounting Policy Information

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

###### 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.

##### (f) 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.

##### (g) 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 2024

### 2 Material Accounting Policy Information

#### (g) 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 2024

### 2 Material Accounting Policy Information

#### (g) 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.

#### (h) 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 2024

#### 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 2024

#### 4 Revenue and Other Income

	2024	2023
	\$	\$
Revenue		
- Subscriptions and advertising	1,068,885	1,177,859
- Merchandise sales	451,912	558,709
- Rental income	331,196	309,735
	<u>1,851,993</u>	<u>2,046,303</u>
Other income		
- Interest received	186,801	38,064
- Other income	(8,054)	5,588
	<u>178,747</u>	<u>43,652</u>
	<u>2,030,740</u>	<u>2,089,955</u>

#### Disaggregation of revenue from contracts with customers

Timing of revenue recognition		
- At a point in time	1,037,111	993,391
- Over time	993,629	1,096,564
	<u>2,030,740</u>	<u>2,089,955</u>

#### 5 Trade and Other Receivables

CURRENT		
Trade receivables	14,373	5,450
Provision for impairment	(1,000)	(1,000)
	<u>13,373</u>	<u>4,450</u>
Prepayments	14,191	25,571
	<u>27,564</u>	<u>30,021</u>

#### 6 Inventories

CURRENT		
At cost	<u>72,708</u>	<u>73,889</u>

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Notes to the Financial Statements

#### For the Year Ended 30 June 2024

7 Other Financial Assets	2024	2023
	\$	\$
CURRENT		
Investment portfolio	2,645,175	2,100,029
<hr/>		
8 Property, plant and equipment		
Buildings		
At cost	5,260,025	5,260,025
Accumulated depreciation	(165,090)	(110,060)
	<hr/>	<hr/>
	5,094,935	5,149,965
Furniture, fixtures and fittings		
At cost	1,263,110	1,263,110
Accumulated depreciation	(448,964)	(361,965)
	<hr/>	<hr/>
	814,146	901,145
	<hr/>	<hr/>
	5,909,081	6,051,110
	<hr/>	<hr/>

**(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 2024</b>			
Balance at the beginning of year	5,094,935	803,107	5,898,042
Additions	-	11,040	11,040
	<hr/>	<hr/>	<hr/>
<b>Balance at the end of the year</b>	5,094,935	814,147	5,909,082
	<hr/>	<hr/>	<hr/>

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Notes to the Financial Statements

#### For the Year Ended 30 June 2024

#### 9 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

	<b>Office Equipment \$</b>
<b>Year ended 30 June 2024</b>	
Balance at beginning of year	22,620
Depreciation charge	(7,540)
	15,080
<b>Balance at end of year</b>	<b>15,080</b>

##### Lease liabilities

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

	<b>&lt; 1 year</b>	<b>1 - 5 years</b>	<b>Total undiscounted lease liabilities</b>	<b>Lease liabilities included in this Statement Of Financial Position</b>
	\$	\$	\$	\$
<b>2024</b>				
Lease liabilities	8,268	8,268	16,536	15,847
<b>2023</b>				
Lease liabilities	8,268	16,536	24,804	23,052

##### Extension options

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

#### 10 Trade and Other Payables

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>CURRENT</b>		
Trade payables	43,279	64,789
GST payable	6,341	5,417
Other payables	9,016	8,053
	58,636	78,259
	<b>58,636</b>	<b>78,259</b>

## Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

### Notes to the Financial Statements For the Year Ended 30 June 2024

#### 11 Employee Benefits

	2024	2023
	\$	\$
CURRENT		
Annual leave	58,075	56,107
Long service leave	77,143	63,427
	<u>135,218</u>	<u>119,534</u>
NON-CURRENT		
Long service leave	<u>9,329</u>	<u>16,800</u>

#### 12 Other Liabilities

CURRENT		
Rent received in advance	6,735	11,060
Other revenue received in advance	9,346	9,346
	<u>16,081</u>	<u>20,406</u>

#### 13 Key Management Personnel Disclosures

There was no remuneration paid to key management personnel of the Group during the financial year (2023: Nil)

#### 14 Auditors' Remuneration

Remuneration of the auditor National Audits Group, for:

- auditing the financial statements	11,000	10,000
- other services*	2,500	2,500
	<u>13,500</u>	<u>12,500</u>

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

#### 15 Contingencies

In the opinion of the Councillors, the Group did not have any contingencies at 30 June 2024 (30 June 2023: None).



# Rotary Down Under Incorporated and Controlled Entities

ABN: 62 113 485 795

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 16 Related Parties

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

Key management personnel - refer to Note 13.

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.

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

The financial report was authorised for issue on 4 September 2024 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.

#### 18 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.

#### 19 Statutory Information

The registered office and principal place of business of the parent 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

### Notes to the Financial Statements

For the Year Ended 30 June 2024

#### 20 Parent Entity

	2024	2023
	\$	\$
<b>Statement of Financial Position</b>		
<b>Assets</b>		
Current assets	3,422,052	3,013,374
Non-current assets	5,902,618	6,043,114
<b>Total Assets</b>	<b>9,324,670</b>	<b>9,056,488</b>
<b>Liabilities</b>		
Current liabilities	16,348	19,272
Non-current liabilities	-	518
<b>Total Liabilities</b>	<b>16,348</b>	<b>19,790</b>
<b>Equity</b>		
Retained earnings	9,308,322	9,036,698
<b>Total Equity</b>	<b>9,308,322</b>	<b>9,036,698</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
	271,625	73,189
<b>Total profit for the year</b>	<b>271,625</b>	<b>73,189</b>

# 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; and
  - b. give a true and fair view of the financial position as at 30 June 2024 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 .....  
  
Kalma McLellan

Councillor .....  
  
Elizabeth Courtney

Dated 4 September 2024

**ROTARY DOWN UNDER INCORPORATED**  
ABN: 62 113 485 795

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 30 JUNE 2024**

**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 2024, 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 material 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 2024 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Councillors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information, and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **ROTARY DOWN UNDER INCORPORATED**

**ABN: 62 113 485 795**

### **INDEPENDENT AUDITOR'S REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2024**

##### **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* 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.

##### **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.

**ROTARY DOWN UNDER INCORPORATED**  
ABN: 62 113 485 795

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 30 JUNE 2024**

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

- 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.

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 4 September 2024

Sydney



**communicating.  
connecting.  
inspiring.**

Rotary Down Under

**ROTARY DOWN UNDER**

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