



Gippsland Rotary Centenary House (Incorporated)

ABN: 26 883 085 367

Org No. A0045847H

2017 – 2018

ANNUAL REPORT

Part 1 - Committee of Management
(Consolidated Report)

Part 2 – Treasurer's Report and Audited
Financial Statements

Our Purpose: Gippsland Rotary Centenary House provides affordable and supportive accommodation for patients undergoing cancer treatment and other medical services at the Latrobe Regional Hospital and their families.

Summary: Stage 1 was opened in September 2006 with a project cost \$2.063 million financed by grants from the Federal & State Governments, Latrobe City, philanthropic trusts, Rotary Clubs and other community organisations, businesses and the public. GRCH employees one full-time House Manager supported by a team of volunteers and is operated on a not for profit basis.

A Stage 2 was officially opened in November 2012 at a cost around \$2.4 million, but has been in use since the 26th October 2011. It has added an additional 9 family units and associated infrastructure plus a Community Room and 2 offices.

Our Stage 3 development has now been planned, design and funding secured. It is expected to be complete by mid 2019.

PART 1 - COMMITTEE OF MANAGEMENT CONSOLIDATED REPORT FOR 2017 - 2018

(Prepared by Ken Peake, Committee Chairperson)

The Committee of Management is proud to present the Gippsland Rotary Centenary House Annual Report for the 2017 - 2018 reporting period. During this time we have achieved a great deal for our Gippsland community as this report will outline.

1. Overview

Gippsland Rotary Centenary House (GRCH) has continued to operate on a very sustainable basis over the past 12 months maintaining great community and Rotary support. Our occupancy rate remains very high on a 5 day per week basis and has from time to time achieved 100%.

The Stage 3 development has moved along significantly since our last report with the completion of the detailed design by Kingbuilt and their specialist designers, and the securing of the \$2.124 million funding required for it to proceed.

On the 12th April 2018 we were visited by the Prime Minister, Malcolm Turnbull and Darren Chester for the announcement of a \$900,000 grant for Stage 3. The event included the announcement of another 18 grants for Gippsland companies and organisations and provided the opportunity for Darren to showcase GRCH to the Prime Minister and the community.

Prior to making the application of the Commonwealth Grant we received a commitment from the Latrobe Regional Hospital for \$600,000 towards stage 3. To our surprise it was later increased to \$1,000,000 which confirmed to us the importance the hospital sees in the services GRCH provides for their patients and families. The Blue Ribbon Foundation is also contributing \$80,000.

Thanks to Carol Crewe, Michael Anderson, Tania Whitehead, Lina Dalglish and Jos Smylie and our crew of volunteers. They have maintained very high standards at the house while keeping our costs down. Through prudent management we have been able to maintain our tariffs from the previous year. We again budgeted on a manageable operating deficit to ensure our rates remain affordable, the shortfall being funded from donations and fundraising. We again achieved our operating budget during 2017/18 which was an outstanding outcome,

Our volunteers still manage to clean the house thanks mainly to Rosalie Davey, Ann Vokes, Jo Smylie, Lina Dalglish, Jennifer Mitchell, Mary Paulet and Jennifer Bland. Our garden was well maintained by very active volunteers headed up by Alan MacRae, with assistance from Dave Swainsbury, Ian Draper, Kees Kroon, Kevin Ainsworth, Zac Crewe, Ray Scheffer, Gloria Platt, Len Jones and others from time to time. Our "Washalot" team coordinated by Lorraine Peake and consisting of Barb and Ray Beebe, Marion and Mike Answerth, Lorraine and Ken Peake, and Debbie Fletcher and Coral Thomsen, have managed to keep on top of the house's laundry requirements again keeping our costs down to a minimum. We also acknowledge and thank the Rotary Clubs of Morwell, Traralgon and Traralgon Central for incorporating working bees in their Community Service programs.

Since leaving his car dealership businesses, David Gittins of Valley Ford, has transferred the ownership of our Ford Falcon station wagon to GRCH and the servicing has been generously taken over by J Smith Motors in Morwell. Thanks David, and Darren Cornell.

Our Fundraising Subcommittee committee chaired by Kay Radford continues to be active. Refer to the Fundraising Subcommittee Report Item 6.1.1. Her group also arranges the catering for the many diverse groups who visit the house.

We welcomed Colin Matthies onto the Committee of Management.

GRCH remains in a very sound financial position due to the constant support from our district Rotary Clubs and community donations and events. This is very gratifying because it confirms the community recognises the need for GRCH.

Maintenance is now becoming a significant cost item for the ongoing operation of the House off-set by our energetic group of volunteers.

2. Latrobe Regional Hospital

The COM continue to enjoyed a very productive and positive relationship with Latrobe Regional Hospital (LRH). This is no more evidenced by their very generous contribution of \$600,000 to our Stage 3 project. Ultimately LRH donated \$1,000,000 and have allowed us access through their property on west side of GRCH to access our "landlocked" Stage 3 construction site.

Apart from there wonderful financial contribution this outstanding cooperation highlights the value LRH thinks of the services GRCH provides to them and their patients. Thank you to Peter Craighead, the LRH Board and staff, it's much appreciated.

3. Committee of Management

We have allocated responsibilities to Committee of Management members to ensure that all aspects of our business are appropriately managed.

Our current Committee of Management as at the end of June 2018 is as following:

- Ken Peake (Chair, Project Management, Funding Submissions)
- Mike Answerth (Secretary, Promotions)
- Dave Swainsbury (Operations and assistant Treasurer)
- Glenn Setches (Treasurer, Financial Governance)
- Kay Radford (Fundraising)
- Diane Wilkinson (Operations Chair)
- Ray Scheffer (Garden and Grounds Development)
- Alan MacRae (Operations)
- Cheryl Glowrey (South Gippsland and Bass Coast promotion)
- Coilin Matthies (Baw Baw and Cardinia promotion)
- Carol Crewe (House Operations Manager and ex officio member)

In addition to the ongoing work to deliver the Stage 3 Project for Gippslanders, the COM has focussed on prioritising management and operational policies and procedures. The Operations sub-committee of Diane Wilkinson, Dave Swainsbury, Alan MacRae and Carol Crewe have worked hard and professionally to regularly submit relevant and prioritised policies the COM for approval.

4. Other Committees

4.1.1 Fundraising Sub-Committee

(Prepared by Kay Radford, Chair Fundraising Subcommittee)

I am pleased to submit this report on behalf of the Fundraising Sub-committee. Our current Fundraising Sub-committee as at the end of June 2018 is as below.

Members List:

Rosanna Della Fortuna
Sylvia Eastham – Treasurer
Liz Power
Jilly Magnuson
Joanne Moretti
Kay Radford – Chair
Ian Wilson
Angela Marino
Carol Payne
Shelley Goldsborough
Barbra White – Secretary
Mari Richards

Resignations:

Kathy Smith and Donna Piper resigned from the sub-committee during the year.

The Fundraising Sub-committee meets monthly at GRCH and arranges extraordinary meetings when necessary.

The sub-committee pride themselves as a hard working co-operative team raising funds for the house but, in addition, working and supporting other groups when they run fundraising events on behalf of GRCH. In addition to raising funds for GRCH we provide essential roles in lifting the awareness of GRCH to the general public as well as visiting groups. As well as raising funds we have facilitated a number of significant donations to GRCH through the contacts we have made during our activities.

Activities undertaken during the year include:

- Raffles
- Market Stalls
- Chat and Chew Luncheon
- Shearing Shed Shindig
- OAM's High Tea
- Catering for events at Gippsland Rotary Centenary House and related activities, including Rotary Club visits.

The subcommittee provided logistical support for various functions in addition to this. Further planning is underway including assistance from corporate sponsors in particular the naming rights for rooms in stage 3. I wish to thank the subcommittee for their constant support and enthusiasm

4.2 East Gippsland Group

(Prepared by Ken Peake, Committee Chairperson)

Following last year's resignation of Rhonda and Noel Wheeldon this year Eastwood Retirement Village Breakfast fundraiser occurred on the 11th April 2018 thank the hard work of Leigh Venables and supporting residents. It was another very well run event with many of the residents assisting with the parking, cooking, teas and coffee and cleaning up. A rowdy auction was held with sales items generously donated by local Bairnsdale businesses and residents. Again the vegetable and plant stalls were a favourite. Thanks to the local Lindenow vegetables growers and poultry farms for their continued support and the residents who propagated plants during the year for the plant stall. It was a great community event that not only raised valuable funds for GRCH, but lifted our profile in Bairnsdale.

The most recent Eastwood Breakfast raised \$10,000. We thank Leigh Venables and the Eastwood Committee for their continued support. In recognition of this great effort a room in Stage 3 will be sponsored by the Eastwood Retirement Village.

Many of the residence are well aware of the services provided by GRCH as they have enjoyed our services while attending LRH for medical treatment.

The COM is still actively seeking a replacement to represent East Gippsland on the Committee.

4.3 Promotions Sub-Committee

(Prepared by Mike Answerth, Promotions Sub-Committee Chairperson)

Bi-annual Newsletter

The regular Newsletter, issued twice a year, continues to be well received by supporters and former guests and invariably is followed by a spike in donations from people who appreciate the facility and many who have been grateful for the opportunity to use it during their treatment or that of a loved one. We feel that it also behoves us to take every opportunity to recognise the generous support of our donors and volunteers and to acknowledge the ongoing good work of Carol Crewe and the staff of Gippsland Rotary Centenary House

Publicity

Our regular media releases, many of which are in recognition of major donations and fundraising activities by our own hard working group and others, serve to keep the work of Centenary House before the community and our donor organisations. However, perhaps our greatest public exposure throughout Gippsland occurred in April this year when, as a result of some great work by local Federal Member, Darren Chester, the Prime Minister agreed to officially announce at Centenary House, the awarding of \$20 million worth of grants under the Regional Jobs and Investment Package Scheme to nineteen different Gippsland businesses and organisations. Among these was, of course, the grant of \$900,000 to Centenary House to enable Stage 3 to proceed. Not only did this event create a great deal of media interest, but representatives of organisations throughout the region, saw first-hand the facility and heard the Prime Minister talk in glowing terms of the work that the House does.

Bendigo Bank Promotion

After many years association with Bendigo Bank and the benefit of the commissions paid by the bank to Centenary House as a result of a promotion scheme for Bank customers, the Bank believed that the original scheme had become tired and needed re vamping. Following a number of meetings with Bank staff, we signed a new agreement with the bank which increases considerably the range of transactions that can be used to provide a cash benefit to Centenary House. The new plan is being

promoted in bank branches and in our regular newsletter and it is anticipated that the increased benefits will begin to materialise over the next few months.

Presentations to Rotary Clubs and Community Organisations

Presentations to organisations using our promotional power point have continued to be made by our Operations Manager, Carol, and members of the Committee of Management. These have greatly improved the knowledge of the facility around the Gippsland region and have resulted in many substantial donations. Even those groups that are already familiar with the House appreciate the opportunity to hear about progress and continued growth of the project.

Multi Media Communication

In addition to our regular Newsletter, social media such as Facebook and our website are kept up to date with what's happening at Centenary House and these are accessed by a wide range of people in the community, particularly the younger generation.

4.4 Operations and Governance Sub-committee Report

4.4.1 Operational and Governance Report

(Prepared by Diane Wilkinson, Operations and Governance Sub-committee Chairperson)

It is my pleasure to present this report on behalf of the Operations Sub Committee. The Operations Sub-committee has again met on an as needs basis this year. Minutes are available from the meetings on request.

Staff:

Our Staff structure as of June 2018 is as follows;

- Operations Manager Carol Crewe
- Operations Assistant Michael Anderson (Permanent Part-time)
- Operations Assistant Tanya Whitehead (Permanent Part-time)
- Operations Assistant Jo Smiley (Casual)
- Operations Assistant Lina Dalgliesh (Casual)

Finance Performance:

In response to increased costs and adjustment to government payments, the sub-committee reviewed and adjusted room rates for this financial year to ensure that accommodation fees were in line with overall budget requirements while remaining affordable to our guests.

Total operational income for the year was \$200,537.30 and total expenses \$224,218.97, resulting in a loss of \$23,681.67. This result was in line with our budget estimates. Key operations performance indicators are reviewed at each Committee of Management meeting to assist with ongoing budget management in relation to operational income and expenditure.

Policies:

Development and review of the GRCH Governance and Operational policies and procedures has continued throughout the year, with a number of new policies being implemented to help guide activities and ensure compliance with relevant legislation and regulations across all areas of operations.

GRCH Motor Vehicle:

Due to a change in ownership of the organisation that had previously sponsored the GRCH motor vehicle, arrangements were made to transfer the ownership of the vehicle to GRCH from Valley Ford. As a result of that new sponsorship arrangements have been put in place for ongoing maintenance. These arrangements are of great assistance to GRCH as the vehicle is used in a variety of ways to assist our guests and maintain effective operations of the facility. J Smith Motors have offered to look after the on-going servicing and maintenance of the vehicle. These arrangements have been made possible by negotiations between Kevin Ainsworth (Centenary House Volunteer) and Darren Cornell J Smith Motors Principal.

Many thanks to David Gittins for his valued support over 10 years by way of the Honda Foundation for 5 years and Valley Ford for 5 years.

Rules of Association:

An opportunity arose for GRCH to participate in a free *Governance Health Check* conducted through Justice Connect Not-for-Profit Law. This service has been offered through the not-for-profit sector to

assist organisations to better understand good governance requirements and ensure their Rules of Association comply with current legislation and statutory requirements.

To facilitate this, a self-assessment was completed on our current systems and processes and submitted to NFP Law together with a copy of the current GRCH Rules of Association, followed by feed-back and advice on a range of governance matters. The discussion confirmed that we have good processes in place to meet our obligations across a range of procedural areas, including governance, operational management, financial management, fundraising, and reporting. However, the Rules of Association do require updating and we are continuing to progress this process with ongoing advice and assistance from NFP Law and it is anticipated that the revised Rules of Association will be presented to the Committee of Management for adoption later in 2018.

General:

GRCH continues to hold appropriate and current Latrobe City Certification regarding Public Health and Well Being Act 2008 (Prescribed Accommodation) Regulations 2009, the Food Safety Act 1984 and the Food Safety Standards Code.

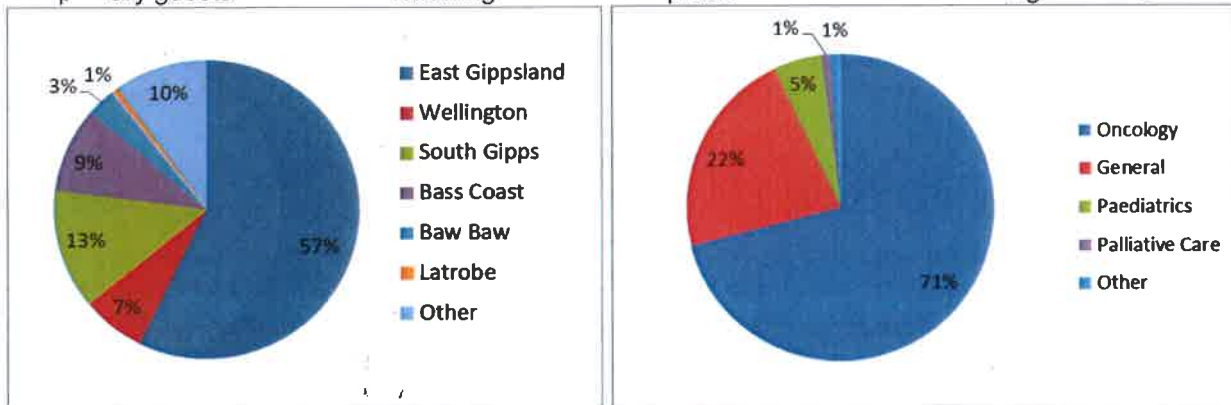
4.4.2 Operational Statistics

(Report provided by Carol Crewe, GRCH Operations Manager)

Statistics for the end of the year (June 2018) regarding guest accommodation at GRCH are as follows:

- 2062 primary guests
- 3264 bookings
- 5164 total guests
- 58% of primary guests were female and 42% male
- The average age of primary guests was 64 years
- The average stay was 6 nights over 2 weeks – this varied from 1 night to 9 weeks
- The average distance travelled was 151 km
- Oncology patients made up 71% of bookings; Paediatrics – 3%; Palliative Care – 2%; General – 22%; and Other – 1%.

Our primary guests are from the following locations and present at LRH for the following reasons.



Conclusion

As Chair of the Committee of Management I wish to sincerely thank all immediate past and current members, our Gippsland community, the many community organisation, especially Rotary for their on-going very valuable and dedicated contribution and support.

Ken Peake
Chair, Committee of Management
Gippsland Rotary Centenary House Inc.

PART 2 – TREASURER’S REPORT AND AUDITED FINANCIAL STATEMENTS

It is my pleasure to comment on the financial performance of GRCH for the 2017/2018 financial year.

We continue to be supported by Lis Keilty from OzPlan, who have helped us deliver timely and accurate monthly reports to ensure a fit for purpose reporting and accounting process. OzPlan also have facilitated our Business Activity Statement requirements. Mark Reidy of RGM Accountants has also continued to assist GRCH in the preparation of financial matters during the year including the preparation of Annual Financial Statements.

As can be seen from the Annual Financial Statements GRCH continues to trade strongly as a not for profit organisation. It is proposed to review accommodation tariffs next year in addition to the proposed increased rates of resident transport assistance payments.

The Annual Financial Statements have been audited by Bernd W Ritzer (FCA). He has provided a comprehensive report and matters to be addressed to further strengthen our governance. GRCH is grateful for his assistance.

The audited statements along with the audit report are appended to this report.

Glenn Setches
Treasurer

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2018

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

CONTENTS

Committee's Report

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Statement by Members of the Committee

Auditors' Report

Income and Expenditure Statement

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

COMMITTEE'S REPORT

Your committee members submit the financial report of the GIPPSLAND ROTARY CENTENARY HOUSE INC for the financial year ended 30 June 2018.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Ken Peake - Chairperson
Mike Answerth - Secretary & Public Officer
Kay Radford
David Swainsbury
Diane Wilkinson
Ray Scheffer
Alan MacRae
Glenn Setches - Treasurer
Cheryl Glowery – Appointed 2/8/2017
Colin Matthies – Appointed 28/12/2017

Principal Activities

The principal activities of the association during the financial year were:

the provision of short term accommodation for families being treated at the Latrobe Regional Hospital.

Significant Changes

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

Operating Result

The profit after providing for income tax amounted to \$995,455.00.

Signed in accordance with a resolution of the Members of the Committee.

Committee Member:



Ken Peake - Chairperson

Committee Member:



Glenn Setches - Treasurer

Dated this day of 25th September 2018

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Income			
Revenue	3	1,384,593	311,932
Expenditure			
Accountancy expenses		(1,850)	(1,800)
Advertising expenses		(1,004)	(375)
Auditors' remuneration	4	(1,591)	(2,091)
Depreciation and amortisation expenses		(119,151)	(121,848)
Employee benefits expenses		(158,958)	(131,973)
Other expenses		(106,584)	(72,995)
		<u>(389,138)</u>	<u>(331,082)</u>
Profit (Loss) for the year	5	995,455	(19,150)
Total comprehensive income for the year		<u>995,455</u>	<u>(19,150)</u>

The accompanying notes form part of these financial statements.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,939,087	850,855
Trade and other receivables	7	15,044	24,593
TOTAL CURRENT ASSETS		<u>1,954,131</u>	<u>875,448</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,394,300	3,496,459
TOTAL NON-CURRENT ASSETS		<u>3,394,300</u>	<u>3,496,459</u>
TOTAL ASSETS		<u>5,348,431</u>	<u>4,371,907</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	46,186	65,117
TOTAL CURRENT LIABILITIES		<u>46,186</u>	<u>65,117</u>
TOTAL LIABILITIES		<u>46,186</u>	<u>65,117</u>
NET ASSETS		<u>5,302,245</u>	<u>4,306,790</u>
EQUITY			
Retained earnings	10	5,302,245	4,306,790
TOTAL EQUITY		<u>5,302,245</u>	<u>4,306,790</u>

The accompanying notes form part of these financial statements.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Note	Retained earnings	\$	\$	Total \$
Balance at 1 July 2016	4,325,940			4,325,940
Profit attributable to members	(19,150)			(19,150)
Balance at 30 June 2017	4,306,790	-	-	4,306,790
Profit attributable to members	995,455			992,751
Balance at 30 June 2018	5,302,245	-	-	5,299,541

The accompanying notes form part of these financial statements.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,358,862	304,666
Payments to suppliers and employees	(239,721)	(209,954)
Interest received	11,083	13,340
Net cash provided by operating activities	<u>1,130,224</u>	<u>108,052</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(16,992)	(43,852)
Net cash used in investing activities	<u>(16,992)</u>	<u>(43,852)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from financial liabilities	-	25,000
Repayment of financial liabilities	(25,000)	-
Net cash provided by (used in) financing activities	<u>(25,000)</u>	<u>25,000</u>
Net increase in cash held	1,088,232	89,199
Cash at beginning of financial year	850,855	761,656
Cash at end of financial year	<u>1,939,087</u>	<u>850,855</u>

The accompanying notes form part of these financial statements.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover GIPPSLAND ROTARY CENTENARY HOUSE INC as an incorporated entity. GIPPSLAND ROTARY CENTENARY HOUSE INC is a not for profit association incorporated in VIC under the Associations Incorporation Reform Act 2012.

The principal activities of the Association for the year ended 30 June 2018 is the provision of short term accommodation for families being treated at the Latrobe Regional Hospital.

The functional and presentation currency of GIPPSLAND ROTARY CENTENARY HOUSE INC is Australian dollars.

The financial report was authorised for issue by the Committee of Management on 25th September 2018

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-For-Profits Commission Act 2012. Gippsland Rotary Centenary House Inc is a not-for-profit entity for the purpose of preparing financial statements.

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
Going Concern

The financial statements have been prepared on a going concern basis consistent with the determination made by the responsible persons.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Property, Plant and Equipment

Buildings, plant and other equipment

Buildings, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the board of management.

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses

Depreciation is recognised on a straight-line and diminishing value basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- buildings: 25-50 years
- plant and equipment: 3-10 years
- computer hardware: 3-7 years
- motor vehicles: 4-10 years
- office equipment : 3-13 Years

Accounts Receivable and Other Receivables

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Employee Benefits

Provision is made for the association'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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

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. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

Donations and bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the organisation gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the organisation becomes legally entitled to the shares or property.

Other income

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

Government grants

A number of the organisation's programs are supported by grants received from the federal, state and local governments.

If conditions are attached to a grant which must be satisfied before the organisation is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the organisation obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the organisation receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

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 or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Comparative Figures

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Subsequent Events

- (a) A grant for \$900,000 for stage 3 has been approved by the Federal Government from their Regional Jobs and Investment Package, however to date the monies have not been received.
- (b) On 27th July 2018 a \$2,330,460 (inclusive of GST) building contract with Kingbuilt Homes Pty Ltd was signed for stage 3 to be completed.

Significant Event

The donation income for the 2018 financial year includes a one off donation of \$1,000,000 from Latrobe Regional Hospital.

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
3 Revenue and Other Income		
Revenue		
Sales revenue:		
Interest received	11,083	13,340
Other revenue	1,373,510	298,592
	<u>1,384,593</u>	<u>311,932</u>
 Total revenue	 <u>1,384,593</u>	 <u>311,932</u>
4 Auditors' Remuneration		
Auditors Remuneration - Fees	<u>1,591</u>	<u>2,091</u>
5 Profit for the year		
The result for the year was derived after charging / (crediting) the following items:		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Employee benefits expense:		
contributions to defined contribution superannuation funds	18,588	13,174
Depreciation of property, plant and equipment	119,151	121,848
6 Cash and Cash Equivalents		
Cash at Bank	470,176	399,101
Term Deposits	1,468,380	450,017
Petty Cash	531	400
Undeposited Funds	-	1,337
	<u>1,939,087</u>	<u>850,855</u>

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash at Bank	470,176	399,101
Term Deposits	1,468,380	450,017
Petty Cash	531	400
Undeposited Funds	-	1,337
	<u>1,939,087</u>	<u>850,855</u>
7 Trade and Other Receivables		
Trade Debtors	11,585	13,720
Income Accrued	1,383	9,602
GST on Acquisitions	2,076	1,271
	<u>15,044</u>	<u>24,593</u>
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
8 Property, Plant and Equipment		
Land and Buildings		
Buildings - at Cost	4,099,803	4,088,612
Less Prov'n for Depreciation	(744,292)	(638,401)
	<u>3,355,511</u>	<u>3,450,211</u>
Total Land and Buildings	<u>3,355,511</u>	<u>3,450,211</u>
Plant & Equipment - at Cost	168,109	165,308
Less Prov'n for Depreciation	(135,181)	(123,655)
	<u>32,928</u>	<u>41,653</u>
Motor Vehicles - at Cost	3,000	-
Less Prov'n for Depreciation	(296)	-
	<u>2,704</u>	<u>-</u>

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Office Equipment - at Cost	22,304	22,303
Less Prov'n for Depreciation	<u>(19,147)</u>	<u>(17,708)</u>
	3,157	4,595
Total Plant and Equipment	<u>38,789</u>	<u>46,248</u>
Total Property, Plant and Equipment	<u>3,394,300</u>	<u>3,496,459</u>

9 Accounts Payable and Other Payables

Current

Trade Creditors	1,250	358
PAYGW Creditor	4,460	3,914
Superannuation Creditor	4,817	4,866
Accrued Expenses	6,523	6,682
Grants in Advance	-	25,000
Provision for Annual Leave	10,621	8,041
Provision for Long Service Leave	<u>18,515</u>	<u>16,256</u>
	<u>46,186</u>	<u>65,117</u>

10 Retained Earnings

Retained earnings at the beginning of the financial year	4,306,790	4,325,940
Net profit (Net loss) attributable to the association	<u>992,751</u>	<u>(19,150)</u>
Retained earnings at the end of the financial year	<u>5,299,541</u>	<u>4,306,790</u>

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
11 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities.		
Reconciliation of net income to net cash provided by operating activities:		
Profit (Loss) after income tax	995,455	(19,150)
Cash flows excluded from profit (loss) attributable to operating activities		
Non-cash flows in profit		
Depreciation	119,151	121,848
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	9,549	6,390
Increase/(decrease) in trade and other payables	6,069	(1,036)
	<u>1,130,224</u>	<u>108,052</u>

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2018
\$

2017
\$

12 Statutory Information

The registered office of the association is:

39 Valley Drive Traralgon VIC 3844

The principal place of business is:

39 Valley Drive Traralgon VIC 3844

**GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367**

RESPONSIBLE PERSON'S DECLARATION

The responsible persons declare that in the responsible persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- (a) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Chairperson:



Ken Peake

Treasurer:



Glenn Setches

Dated this day of 25th September 2018

GIPPSLAND ROTARY CENTENARY HOUSE INC.

ABN 26 883 085 367

AUDITORS DECLARATION OF INDEPENDENCE

To the responsible persons of the Gippsland Rotary Centenary House Inc.

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profits Commission Act 2012, as auditor for Gippsland Rotary Centenary House Inc. for the year ended 30th June 2018, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit;

and

- b) No contravention of any applicable code of professional conduct in relation to the audit



.....
Bernd W Ritzer (FCA)

Ritzers Chartered Accountant

Dated 1st September 2018

Signed at 2 Coppin Court, Cape Schanck, Vic. 3939

AUDITORS REPORT

TO THE MEMBERS OF THE GIPPSLAND ROTARY CENTENARY HOUSE INCORPORATED

INDEPENDENT AUDITORS REPORT

To the members of the Gippsland Rotary Centenary House Incorporated

Audit Opinion

I have audited the accompanying general purpose financial report, of the Gippsland Rotary Centenary House Incorporated which comprises the Statement of Financial Position as at the 30th June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, Notes Forming Part of the Financial Report comprising a summary of significant accounting policies and other explanatory information and the responsible persons declaration.

In my opinion, the general purpose financial report of the Gippsland Rotary Centenary House Incorporated is properly drawn up in accordance with Division 60 of the Australian Charities and Not for Profits Commission Act 2012 including,

- a) giving a true and fair view of the registered entities financial position as at the 30th June 2018 and of its performance and cash flows for the year then ended;

and

- b) complying with Australian Accounting Standards as described in Note 1 and Division 60 of Australian Charities and Not for Profits Commission Regulation 2013

Basis for Opinion

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Report section of my report. I am independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have fulfilled my other ethical responsibilities in accordance with the code.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Information other than the Financial Statements and Auditor's Report thereon.

The responsible persons are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30th June 2018, but does not include the financial report and our auditor's report thereon.

AUDITORS REPORT
TO THE MEMBERS OF THE GIPPSLAND ROTARY CENTENARY HOUSE
INCORPORATED

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

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

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

Responsible persons Responsibility for the Financial Report

The responsible persons of the registered entity are responsible for the preparation of the general purpose financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not for Profits Commission Act 2012 and for such internal control as the responsible persons determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible persons are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible persons either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible persons are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 auditors' report that includes my 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report

As part of an audit in accordance with Australian Auditing Standards I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher

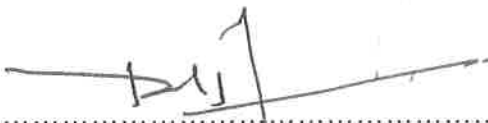
AUDITORS REPORT

TO THE MEMBERS OF THE GIPPSLAND ROTARY CENTENARY HOUSE INCORPORATED

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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible persons .
- Conclude on the appropriateness of the responsible entity's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity 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.

I will communicate with the responsible persons regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I may identify during my audit.



Bernd W Ritzer (FCA)

Ritzers Chartered Accountant

Registered ASIC Company Auditor No. 9237

Dated 26th September 2018

At 2 Coppin Court, Cape Schanck, Vic. 3939

GIPPSLAND ROTARY CENTENARY HOUSE INC
A.B.N. 26 883 085 367

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
INCOME		
Grants Received	25,000	5,056
Interest Received	11,083	13,340
	36,083	18,396
OTHER INCOME		
Donations Received	1,144,985	111,264
Fundraising Income	21,452	15,340
Accommodation Income	49,334	50,681
Support Income	132,739	116,251
	1,348,510	293,536
	1,384,593	311,932
EXPENSES		
Accountancy	1,850	1,800
Advertising & Promotion	1,004	375
Auditors Remuneration - Fees	1,591	2,091
Bank Charges	1,046	1,054
Fundraising Committee Expenses	100	269
Cleaning	1,360	800
Depreciation	119,151	121,848
Electricity & Gas	25,014	20,600
Fire Monitoring	2,877	2,821
Gardening	3,219	6,505
Hire of Plant & Equipment	443	708
Insurance	8,294	7,958
Motor Vehicle Expenses	3,257	2,098
Office Expenses	-	200
Permits, Licences & Fees	461	741
Postage	5,879	2,309
Printing & Stationery	4,303	5,386
Rates	2,243	4,149
Repairs & Maintenance	36,088	6,093
Security	1,324	1,169
Staff & Guest Amenities	10,464	6,856
Superannuation	18,588	13,174
Telephone	3,538	4,500
Travelling Expenses	4,834	3,261
Wages	129,906	111,943
Workcover	2,304	2,374
	389,138	331,082
Profit (Loss) from Operating Activities	995,455	(19,150)

The accompanying notes form part of these financial statements.