

**ROYAL UNITED SERVICES INSTITUTE FOR DEFENCE AND
SECURITY STUDIES, NEW SOUTH WALES, INCORPORATED**

ABN 80 724 654 162



FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2020 \$	2019 \$
Income			
Member subscriptions		16,469	17,734
Donations		11,905	24,737
Educational and social events	2	4,445	6,533
Sale of books and merchandise		4,245	6,135
Investment income		12,089	11,073
Other		1,387	1,538
		50,540	67,750
Expenditure			
Book purchases		1,044	6,328
Depreciation	8	4,224	3,564
Honorarium	3	7,500	10,000
Insurance		1,341	1,112
Internet and telephone			369
Journal		3,169	317
Library collection preservation		8,940	24,990
Merchandise used		522	1,138
National capitation fee	4	6,720	
Office supplies		416	2,338
Postage		1,281	1,158
Software for library		2,208	3,091
Subscriptions		595	676
Travel		187	190
Web management		165	345
Other	5	842	3,702
		39,154	59,318
Surplus for the year		11,386	8,432

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

	Notes	2020 \$	2019 \$
Assets			
Current Assets			
Cash on hand and at bank		29,506	57,911
Merchandise on hand		1,786	1,244
Prepayments and receivables		79	6,571
Total Current Assets		31,371	65,726
Non-Current Assets			
Investments	6	279,875	271,767
Library collection	7	100,000	100,000
Library Compactus and office equipment	8	55,849	58,341
Total Non-Current Assets		435,724	430,108
Total Assets		467,095	495,834
Liabilities			
Current Liabilities			
Subscriptions paid in advance		8,720	9,760
Other payables			2,970
Total Liabilities		8,720	12,730
Net Assets		458,375	483,104
Funds			
Reserves	9	133,624	169,739
Accumulated funds		324,751	313,365
Total Funds		458,375	483,104

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Funds

	Asset Revaluation Reserve \$	International Dialogue Reserve \$	Russell Robertson Bequest \$	Accumulated Funds \$	Total Funds \$
Balance at 1 July 2018	150,660	3,777	22,429	282,739	459,605
Surplus for the year				8,432	8,432
Investment Revaluation	15,067				15,067
Transfer to/(from) reserves		235	-22,429	22,194	0
Balance at 30 June 2019	165,727	4,012	0	313,365	483,104
Balance at 1 July 2019	165,727	4,012	0	313,365	483,104
Surplus for the year				11,386	11,386
Investment revaluation	-36,115				-36,115
Transfer to/(from) reserves		-305		305	0
Balance at 30 June 2020	129,612	3,707	0	325,056	458,375

Consolidated Statement of Cash Flows

	2020 \$	2019 \$
Surplus for the year	11,386	8,432
Non-cash item (depreciation)	4,224	3,564
Change in stock and receivables	5,950	-4,381
Change in subscriptions in advance and other payables	-4,010	-39,661
Purchase of equipment	-1,724	-2,635
Net cash provided by operating activities	15,826	-34,681
Net sale/ purchase (-) of investments	-44,231	12,751
Cash and cash equivalents at beginning of year	57,911	79,841
Cash and cash equivalents at end of year	29,506	57,911

This statement should be read in conjunction with the notes to the financial statements.

Statement of Profit or Loss and Other Comprehensive Income for the Library Gift Fund

	Notes	2020 \$	2019 \$
Income			
Donations		10,986	22,102
Investment income		1,470	1,315
Other		93	
		12,549	23,417
Expenditure			
Book purchases		1,044	6,328
Depreciation		3,744	3,564
Insurance			330
Library collection preservation	5	8,940	24,990
Software support		2,208	3,091
Subscriptions		550	557
Other	6	465	1,696
		16,951	40,556
Surplus/deficit for the year		-4,402	-17,139

Statement of Financial Position for the Library Gift Fund

	Notes	2020 \$	2019 \$
Assets			
Cash at bank		384	14,384
Investments		59,732	31,246
Receivables		79	17,748
Library Compactus and computer	9	54,202	58,341
		114,397	121,719
Liabilities			
Accounts payable			2,921
			2,921
Net Assets		114,397	118,798
Funds			
Accumulated funds		114,397	118,798
Net Funds		114,397	118,798

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Funds for the Library Gift Fund

	Russell Robertson Bequest	Accumulated Funds	Total Funds
	\$	\$	\$
Balance at 1 July 2018	22,429	113,508	135,937
Surplus for the year		-17,139	-17,139
Use of bequest for preservation	-22,429	22,429	0
Balance at 30 June 2019	0	118,798	118,798
Balance at 1 July 2019		118,798	118,798
Surplus for the year		-4,402	-4,402
Balance at 30 June 2020	0	114,936	114,396

Statement of Cash Flows for the Library Gift Fund

	2020	2019
	\$	\$
Surplus for the year	-4,402	-17,139
Non cash item (depreciation)	3,744	3,564
Change in receivables	18,065	-14,004
Change in payables	-2,921	-38,568
Purchase of Compactus and computer		-2,635
Reduction/increase(-) in investments	-28,486	50,778
Cash and cash equivalents at beginning of year	14,384	32,388
Cash and cash equivalents at end of year	384	14,384

These statements should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1 Significant accounting policies

The financial statements have been prepared using an accrual basis of accounting, the historical cost convention and the going concern assumptions. The financial report is a special purpose financial report prepared to satisfy the financial reporting requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth). The financial report has been prepared in accordance with the requirements of the above Acts and with Australian Accounting Standards.

2 Educational and Social Events

Event	Income	Expense	Net
Lectures	5,657	1,458	4,199
Social events and visits	4,364	4,118	246
Total	10,021	5,576	4,445

3 Honorarium

The honorarium of \$7,500 was paid on a quarterly in arrears basis to Mr Graham Brown for the role of Office Manager. Mr Brown is also the Institute's Honorary Treasurer. The honorarium for the final quarter was waived as a result of the closure of our office during the COVID-19 lockdown.

4 National Capitation Fee

Our National representative body, Royal United Services Institute for Defence and Security Studies - Australia Limited (RUSI-A), requested that each of its seven constituent bodies pays a capitation fee of \$15 per financial member to ensure the financial viability of RUSI-A. After very careful consideration, the Board of RUSI NSW agreed to this request as the Board considered that a strong National body is essential to the long-term viability of RUSIs across Australia. The other six constituent bodies also agreed to pay this capitation fee.

5 Other expenses

	2020	2019
	\$	\$
Library bookends		929
Past Presidents photographs		779
Name badges		360
Library freezer bags		306
Honour board update		259
Various other	842	1,069
	842	3,702

6 Investments

	2020	2019
	\$	\$
Value of listed securities at start of year	271,767	269,451
Net investment/disinvestment(-) during year	44,230	-12,751
Adjusted value	315,997	256,700
Net revaluation /devaluation(-) during year	-36,122	15,067
Market value at end of year	279,875	271,767

Investments are determined by and managed in terms of the Institute’s Investment Policy, a copy of which can be found on the Institute’s website. Investments are held primarily to generate income to offset general operating expenses going forward. We therefore take a long-term investment perspective.

Our return hurdle is CPI plus 3.5% on a rolling five year basis which was 4.76% for the five years to 30 June 2020. We were tracking comfortably above this benchmark up to the time of the COVID-19 pandemic which has had a severe impact on global investment markets. Consequently, our investment performance for the five years was 4.68% per annum.

7 Library collection

The Institute began acquiring books, journals, maps and other artefacts in 1889. The collection has been independently assessed as being of “National Significance” and includes many individually significant items. Placing an accurate monetary value on the collection is not possible without an independent valuation which would be costly and potentially inconclusive. For insurance purposes the collection is valued at \$100,000.

The collection comprises approximately 25,000 books and 1,000 other items. The Board has placed a conservative estimated value on the collection of \$100,000.

Purchases of books during the year of \$1,044 were expensed which is consistent with previous years.

8 Library Compactus and office equipment

	2020	2019
	\$	\$
Compactus		
Cost	59,270	59,270
Less accumulated depreciation	-5,928	-2,964
Net value	53,342	56,306
Video Camera		
Cost	2,127	
Less accumulated depreciation	-480	
Net value	1,647	

Computer		
Cost	2,180	2,635
Less accumulated depreciation	-1,320	-600
Net value	860	2,035
Total net value	55,849	58,341

9 Consolidated Reserves

	2020	2019
	\$	\$
Asset Revaluation Reserve	129,612	165,727
International Dialogue Reserve (Capt John Leece)	3,707	4,012
	133,319	169,739

Statement of the Board

We state that:

In the opinion of the Board of the Royal United Services Institute for Defence and Security Studies, New South Wales, Incorporated:

1. The financial statements and notes are in accordance with the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including giving a true and fair view of Royal United Services Institute for Defence and Security Studies, New South Wales, Incorporated's financial position at 30 June 2020 and of its performance for the financial year ended on that date; and
2. At the date of this statement there are reasonable grounds to believe the Institute will be able to pay its debts as and when they fall due and payable.

On behalf of the Board

Paul Irving
President

27 August 2020

Graham Brown
Treasurer

27 August 2020

Independent Auditor's Report

To the Members of Royal United Services Institute for Defence and Security Studies, New South Wales, Incorporated

I have examined the attached financial statements of Royal United Services Institute for Defence and Security Studies, New South Wales, Incorporated for the year ended 30 June 2020.

In my opinion, the financial statements have been drawn up so as to give a true and fair view of the financial position of Royal United Services Institute for Defence and Security Studies, New South Wales, Incorporated as at 30 June 2020 and of the financial performance for the year ending on that date.

John C Rudd OAM FCPA
Honorary Auditor

22 July 2020