

**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 2019**

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

	Notes	2019 \$	2018 \$
<b>Income</b>			
Member subscriptions		17,734	18,636
Donations	2	24,737	62,026
Grants			2,062
Educational and social events	3	6,533	4,816
Sale of books and merchandise		6,135	6,511
Investment income		11,073	12,749
Other		1,538	744
		<b>67,750</b>	<b>107,544</b>
<b>Expenditure</b>			
Book purchases		6,328	4,190
Depreciation		3,564	
Honorarium	4	10,000	10,000
Insurance		1,112	896
Internet and telephone		369	1,288
Journal		317	2,062
Library collection preservation	5	24,990	
Merchandise used		1,138	644
Office supplies		2,338	787
Postage		1,158	1,118
Software for library		3,091	3,964
Subscriptions		676	
Travel		190	601
Web management		345	1,095
Other	6	3,702	480
		<b>59,318</b>	<b>27,125</b>
<b>Surplus for the year</b>		<b>8,432</b>	<b>80,419</b>

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

## Consolidated Statement of Financial Position

	Notes	2019 \$	2018 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash on hand and at bank		57,911	79,841
Stock on hand		1,244	1,656
Prepayments and receivables		6,571	1,778
<b>Total Current Assets</b>		<b>65,726</b>	<b>83,275</b>
<b>Non-Current Assets</b>			
Investments	7	271,767	269,451
Library collection	8	100,000	100,000
Library Compactus and computer	9	58,341	59,270
<b>Total Non-Current Assets</b>		<b>430,108</b>	<b>428,721</b>
<b>Total Assets</b>		<b>495,834</b>	<b>511,996</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Subscriptions paid in advance		9,760	9,270
Account payable for Compactus			41,489
Other payables		2,970	1,632
<b>Total Liabilities</b>		<b>12,730</b>	<b>52,391</b>
<b>Net Assets</b>		<b>483,104</b>	<b>459,605</b>
<b>Funds</b>			
Reserves	10	169,739	176,866
Accumulated funds		313,365	282,739
<b>Total Funds</b>		<b>483,104</b>	<b>459,605</b>

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 2017	143,523	3,422	21,940	203,026	371,911
Surplus for the year				80,419	80,419
Investment Revaluation	7,275				7,275
Transfer to/(from) reserves	-138	355	489	-706	0
<b>Balance at 30 June 2018</b>	<b>150,660</b>	<b>3,777</b>	<b>22,429</b>	<b>282,739</b>	<b>459,605</b>
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
<b>Balance at 30 June 2019</b>	<b>165,727</b>	<b>4,012</b>	<b>0</b>	<b>313,365</b>	<b>483,104</b>

## Consolidated Statement of Cash Flows

	2019 \$	2018 \$
Surplus for the year	8,432	80,419
Non-cash item (depreciation)	3,564	
Change in stock and receivables	-4,381	415
Change in subscriptions in advance and other payables	-39,661	41,952
Purchase of Compactus and computer	-2,635	-59,270
<b>Net cash provided by operating activities</b>	<b>-34,681</b>	<b>63,516</b>
Net purchase/sale(-) of investments	12,751	-60,085
Cash and cash equivalents at beginning of year	79,841	76,410
<b>Cash and cash equivalents at end of year</b>	<b>57,911</b>	<b>79,841</b>

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	2019 \$	2018 \$
<b>Income</b>			
Donations	2	22,102	60,075
Investment income		1,315	1,322
		<b>23,417</b>	<b>61,397</b>
<b>Expenditure</b>			
Book purchases		6,328	4,190
Depreciation		3,564	
Insurance		330	
Library collection preservation	5	24,990	
Software support		3,091	3,964
Subscriptions		557	
Other	6	1,696	
		<b>40,556</b>	<b>8,154</b>
<b>Surplus/deficit for the year</b>		<b>-17,139</b>	<b>53,243</b>

## Statement of Financial Position for the Library Gift Fund

	Notes	2019 \$	2018 \$
<b>Assets</b>			
Cash at bank		14,384	32,388
Investments		31,246	82,024
Receivables		17,748	3,744
Library Compactus and computer	9	58,341	59,270
		<b>121,719</b>	<b>177,426</b>
<b>Liabilities</b>			
Accounts payable		2,921	41,489
		<b>2,921</b>	<b>41,489</b>
<b>Net Assets</b>		<b>118,798</b>	<b>135,937</b>
<b>Funds</b>			
Reserves	10		22,429
Accumulated funds		118,798	113,508
<b>Net Funds</b>		<b>118,798</b>	<b>135,937</b>

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 2017		60,754	60,754
Surplus for the year		53,243	53,243
Interest income allocation	489	-489	0
Transfer from General Fund	21,940		21,940
<b>Balance at 30 June 2018</b>	<b>22,429</b>	<b>113,508</b>	<b>135,937</b>
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
<b>Balance at 30 June 2019</b>	<b>0</b>	<b>118,798</b>	<b>118,798</b>

## Statement of Cash Flows for the Library Gift Fund

	2019	2018
	\$	\$
Surplus for the year	-17,139	53,243
Non cash item (depreciation)	3,564	
Transfer of Russell Robertson Bequest from General Fund		21,940
Change in receivables	-14,004	-3,404
Change in payables	-38,568	41,489
Purchase of Compactus and computer	-2,635	-59,270
Reduction/increase(-) in investments	50,778	-82,024
Cash and cash equivalents at beginning of year	32,388	60,414
<b>Cash and cash equivalents at end of year</b>	<b>14,384</b>	<b>32,388</b>

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

## Notes to the Financial Statements

### 1.1 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.

### 1.2 Change from previous years

The financial statements include the consolidated statements of the Institute's General Fund and its Library Gift Fund. They also include the statements of the Library Gift Fund which has been granted Donor Gift Recipient Status by the Australian Taxation Office. Last year's financial statements also included the statements of the General Fund which have not been included this year. This change was made in order to simplify our statements whilst still complying with all regulatory requirements and with Australian Accounting Standards.

## 2 Donations to the Library Gift Fund

In the last two years, the Board of the Institute initiated a major fund raising campaign to help fund the relocation of the Institute and the Ursula Davidson Library to the Anzac Memorial in Hyde Park, to pay for book restoration, to maintain and expand the collection and, if possible, to employ a librarian. As a consequence of the generous response by our members and other benefactors, the Library Gift Fund now has funds of \$118,798.

## 3 Educational and Social Events

Event	Income	Expense	Net
Lectures	8,615	2,769	5,846
Social events and visits	5,018	4,331	687
<b>Total</b>	<b>13,633</b>	<b>7,100</b>	<b>6,533</b>



#### 4 Honorarium

The honorarium of \$10,000 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 role of Librarian has temporarily been assumed by Dr David Leece on an unpaid basis and he is ably assisted by a small group of volunteers.

#### 5 Russell Robertson Bequest

The Institute received \$20,000 from the estate of the Late Russell Robertson in 2016. This amount, together with the investment earnings on it, was used during the year for the re-binding of a large number of books in our collection. The Institute is most grateful for this very generous bequest which has enabled us to undertake this most important preservation work.

#### 6 Other expenses

	<b>2019</b>
	<b>\$</b>
Library bookends	929
Past Presidents photographs	779
Name badges	360
Library freezer bags	306
Honour board update	259
Various other	1,069
	<u><b>3,702</b></u>

#### 7 Investments

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Value of listed securities at start of year	269,451	202,091
Net investment/disinvestment(-) during year	-12,751	60,085
Adjusted value	<u>256,700</u>	<u>262,176</u>
Net revaluation /devaluation(-) during year	15,067	7,275
<b>Market value at end of year</b>	<u><b>271,767</b></u>	<u><b>269,451</b></u>

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. However, as a result of the establishment of special reserves of \$3,000 in 2015 relating to future International Defence and Security Dialogues and of \$20,000 in 2016 relating to library expenses (Russell Robertson bequest), those amounts of our invested funds were set aside to specifically offset those future expenses. The Russell Robertson bequest was fully expended during the year (refer Note 5).

## 8 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 \$6,328 were expensed consistent with previous years.

## 9 Library Compactus and computer

	<b>2019</b>	<b>2018</b>
	\$	\$
Compactus		
Cost	59,270	59,270
Less accumulated depreciation	-2,964	
Net value	<u>56,306</u>	<u>59,270</u>
Computer		
Cost	2,635	
Less accumulated depreciation	-600	
Net value	<u>2,035</u>	
<b>Total net value</b>	<b><u>58,341</u></b>	<b><u>59,270</u></b>

## 10 Consolidated Reserves

	<b>2019</b>	<b>2018</b>
	\$	\$
Asset Revaluation Reserve	165,727	150,660
International Dialogue Reserve (Capt John Leece)	4,012	3,777
Russell Robertson Bequest	0	22,429
	<u><b>169,739</b></u>	<u><b>176,866</b></u>

## 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 2018 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 2019

Graham Brown  
Treasurer

27 August 2019

## **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 2019.

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 2019 and of the financial performance for the year ending on that date.

R. C. G. Grace JP FCPA FCIS FGIA  
Honorary Auditor

19 August 2019