

**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**

## Table of Contents

### Consolidated Financial Statements

Profit or Loss and Other Comprehensive Income	2
Financial Position	3
Changes in Funds	4
Cash Flows	4

### Library Gift Fund Financial Statements

Profit or Loss and Other Comprehensive Income	5
Financial Position	5
Changes in Funds	6
Cash Flows	6

Notes to the Financial Statements	7
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Statement of the Board	10
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Independent Auditor's Report	11
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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2020 \$	2019 \$
<b>Income</b>			
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
		<b>50,540</b>	<b>67,750</b>
<b>Expenditure</b>			
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
		<b>39,154</b>	<b>59,318</b>
<b>Surplus for the year</b>		<b>11,386</b>	<b>8,432</b>

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

## Consolidated Statement of Financial Position

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash on hand and at bank		29,506	57,911
Merchandise on hand		1,786	1,244
Prepayments and receivables		79	6,571
<b>Total Current Assets</b>		<b>31,371</b>	<b>65,726</b>
<b>Non-Current Assets</b>			
Investments	6	279,875	271,767
Library collection	7	100,000	100,000
Library Compactus and office equipment	8	55,849	58,341
<b>Total Non-Current Assets</b>		<b>435,724</b>	<b>430,108</b>
<b>Total Assets</b>		<b>467,095</b>	<b>495,834</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Subscriptions paid in advance		8,720	9,760
Other payables			2,970
<b>Total Liabilities</b>		<b>8,720</b>	<b>12,730</b>
<b>Net Assets</b>		<b>458,375</b>	<b>483,104</b>
<b>Funds</b>			
Reserves	9	133,624	169,739
Accumulated funds		324,751	313,365
<b>Total Funds</b>		<b>458,375</b>	<b>483,104</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 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>
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
<b>Balance at 30 June 2020</b>	<b>129,612</b>	<b>3,707</b>	<b>0</b>	<b>325,056</b>	<b>458,375</b>

## 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
<b>Net cash provided by operating activities</b>	<b>15,826</b>	<b>-34,681</b>
Net sale/ purchase (-) of investments	-44,231	12,751
Cash and cash equivalents at beginning of year	57,911	79,841
<b>Cash and cash equivalents at end of year</b>	<b>29,506</b>	<b>57,911</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	2020 \$	2019 \$
<b>Income</b>			
Donations		10,986	22,102
Investment income		1,470	1,315
Other		93	
		<b>12,549</b>	<b>23,417</b>
<b>Expenditure</b>			
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
		<b>16,951</b>	<b>40,556</b>
<b>Surplus/deficit for the year</b>		<b>-4,402</b>	<b>-17,139</b>

## Statement of Financial Position for the Library Gift Fund

	Notes	2020 \$	2019 \$
<b>Assets</b>			
Cash at bank		384	14,384
Investments		59,732	31,246
Receivables		79	17,748
Library Compactus and computer	9	54,202	58,341
		<b>114,397</b>	<b>121,719</b>
<b>Liabilities</b>			
Accounts payable			2,921
			<b>2,921</b>
<b>Net Assets</b>		<b>114,397</b>	<b>118,798</b>
<b>Funds</b>			
Accumulated funds		114,397	118,798
<b>Net Funds</b>		<b>114,397</b>	<b>118,798</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 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>
Balance at 1 July 2019		118,798	118,798
Surplus for the year		-4,402	-4,402
<b>Balance at 30 June 2020</b>	<b>0</b>	<b>114,936</b>	<b>114,396</b>

## 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
<b>Cash and cash equivalents at end of year</b>	<b>384</b>	<b>14,384</b>

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
<b>Total</b>	<b>10,021</b>	<b>5,576</b>	<b>4,445</b>

### 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
	<b>842</b>	<b>3,702</b>



## 6 Investments

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

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

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

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

**9 Consolidated Reserves**

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

## 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