

**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 2021

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
-----------------------------------	---

Statement of the Board	10
------------------------	----

Independent Auditor's Report	11
------------------------------	----

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2021 \$	2020 \$
Income			
Member subscriptions		17,527	16,469
Donations		12,071	11,905
Educational and social events	2	1,368	4,445
Sale of books and merchandise		2,687	4,245
Investment income		8,463	12,089
Other		94	1,395
		42,210	50,540
Expenditure			
Book purchases		2,356	1,044
Depreciation		4,404	4,224
Honorarium			7,500
Insurance		655	1,341
Journal		3,290	3,169
Library collection preservation	3		8,940
Merchandise used		250	522
National capitation fee	4	6,150	6,720
Office Display		2,013	
Office supplies		560	416
Postage		1,129	1,281
Software for library		3,109	2,208
Subscriptions		752	595
Travel			187
Web management		198	165
Other	5	2,244	842
		27,110	39,154
Surplus for the year		15,100	11,386

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

Consolidated Statement of Financial Position

	Notes	2021 \$	2020 \$
Assets			
Current Assets			
Cash on hand and at bank		39,987	29,506
Merchandise on hand		2,302	1,786
Prepayments and receivables			79
Total Current Assets		42,289	31,371
Non-Current Assets			
Investments	6	336,483	279,875
Library collection	7	100,000	100,000
Library Compactus and office equipment	8	51,445	55,849
Total Non-Current Assets		487,928	435,724
Total Assets		530,217	467,095
Liabilities			
Current Liabilities			
Subscriptions paid in advance		9,922	8,720
Other payables		144	
Total Liabilities		10,066	8,720
Net Assets		520,151	458,375
Funds			
Reserves	9	180,698	133,624
Accumulated funds		339,453	324,751
Total Funds		520,151	458,375

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 \$	Accumulated Funds \$	Total Funds \$
Balance at 1 July 2019	165,727	4,012	313,357	483,096
Surplus for the year			11,386	11,386
Adjustment to surplus			8	8
Investment Revaluation	-36,115			-36,115
Transfer to/(from) reserves		-305	305	0
Balance at 30 June 2020	129,612	3,707	325,056	458,375
Balance at 1 July 2020	129,612	3,707	325,056	458,375
Surplus for the year			15,101	15,101
Investment revaluation	46,675			46,675
Transfer to/(from) reserves		704	-704	0
Balance at 30 June 2021	176,287	4,411	339,453	520,151

Consolidated Statement of Cash Flows

	2021 \$	2020 \$
Surplus for the year	15,101	11,394
Non-cash item (depreciation)	4,404	4,224
Change in stock and receivables	-437	5,950
Change in subscriptions in advance and other payables	1,346	-4,010
Purchase of equipment		-1,724
Net cash provided by operating activities	20,414	15,835
Net sale/ purchase (-) of investments	-9,933	-44,240
Cash and cash equivalents at beginning of year	29,506	57,911
Cash and cash equivalents at end of year	39,987	29,506

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	2021 \$	2020 \$
Income			
Donations		9,999	10,986
Investment income		1,616	1,470
Other			93
		11,615	12,549
Expenditure			
Book purchases		2,356	1,044
Depreciation		3,684	3,744
Insurance			
Library collection preservation	5		8,940
Software support		3,109	2,208
Subscriptions		617	550
Other	6	900	465
		10,666	16,951
Surplus/deficit for the year		949	-4,402

Statement of Financial Position for the Library Gift Fund

	Notes	2021 \$	2020 \$
Assets			
Cash at bank		384	384
Investments		64,444	59,732
Receivables			79
Library Compactus and computer	8	50,518	54,202
		115,346	114,397
Liabilities			
		0	0
Net Assets		115,346	114,397
Funds			
Accumulated funds		115,346	114,397
Net Funds		115,346	114,397

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

Statement of Changes in Funds for the Library Gift Fund

	Accumulated Funds	Total Funds
	\$	\$
Balance at 1 July 2019	118,799	118,799
Surplus for the year	-4,402	-4,402
Balance at 30 June 2020	114,397	114,397
Balance at 1 July 2020	114,397	114,397
Surplus for the year	949	949
Balance at 30 June 2021	115,346	115,346

Statement of Cash Flows for the Library Gift Fund

	2021	2020
	\$	\$
Surplus for the year	949	-4,402
Non cash item (depreciation)	3,684	3,744
Change in receivables	79	18,065
Change in payables		-2,921
Increase in investments	-4,712	-28,486
Cash and cash equivalents at beginning of year	384	14,384
Cash and cash equivalents at end of year	384	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	1,510	371	1,139
Social events and visits	3,565	3,336	229
Total	5,075	3,707	1,368

The significant reduction in the net surplus compared to the previous year's surplus of \$4,445 was primarily a consequence of the COVID-19 restrictions.

3 Library Collection Preservation

It was our intention to continue our programme of book preservation and restoration during the year at a similar level to last when we spent \$8,940. This is a very time consuming process and our much appreciated library volunteers have competing demands on their limited time availability. The situation was exacerbated by the COVID-19 lockdowns. Consequently, we were unable to proceed with any book preservation during the year but it remains our intention to resume preservation work as soon as circumstances permit.

4 National Capitation Fee

Our National representative body, Royal United Services Institute for Defence and Security Studies - Australia Limited (RUSI-A), again 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 careful consideration, the Board of RUSI NSW again 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

	2021	2020
	\$	\$
Library supplies	900	
Bank fees	669	
Banner	178	
Name badges	153	
Software support	292	
Other	52	842
	2,244	842

6 Investments

	2021	2020
	\$	\$
Value of listed securities at start of year	279,875	271,767
Net investment/disinvestment (-) during year	9,933	44,230
Adjusted value	289,808	315,997
Net revaluation /devaluation (-) during year	46,675	-36,122
Market value at end of year	336,483	279,875

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 5.2% for the five years to 30 June 2021. The actual return for this five year period was 7.6% 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 \$2,356 were expensed.

8 Library Compactus and office equipment

	2021	2020
	\$	\$
Compactus		
Cost	59,270	59,270
Less accumulated depreciation	-8,892	-5,928
Net value	<u>50,378</u>	<u>53,342</u>
Video Camera		
Cost	2,127	2,127
Less accumulated depreciation	-1,200	-480
Net value	<u>927</u>	<u>1,647</u>
Computer		
Cost	2,180	2,180
Less accumulated depreciation	-2,040	-1,320
Net value	<u>140</u>	<u>860</u>
Total net value	<u>51,445</u>	<u>55,849</u>

9 Consolidated Reserves

	2021	2020
	\$	\$
Asset Revaluation Reserve	176,228	129,612
International Dialogue Reserve (Capt John Leece)	4,411	3,707
	<u>180,698</u>	<u>133,319</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 2021 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

Michael Hough
President

28 September 2021

Graham Brown
Treasurer

28 September 2021

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 2021.

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 2021 and of the financial performance for the year ending on that date.

John C Rudd OAM FCPA
Honorary Auditor

9 September 2021