

**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 2022**

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

	Notes	2022 \$	2021 \$
<b>Income</b>			
Member subscriptions		17,763	17,527
Donations		26,042	12,071
Educational and social events	2	4,016	1,368
Sale of books and merchandise		3,102	2,687
Investment income		12,700	8,463
Other		84	94
		<u>63,707</u>	<u>42,210</u>
<b>Expenditure</b>			
Book purchases		1,682	2,356
Depreciation		3,824	4,404
Insurance		699	655
Journal		3,180	3,290
Merchandise used		382	250
National capitation fee	3	6,750	6,150
Office Display			2,013
Office supplies		548	560
Postage		1,019	1,129
Software		3,940	3,109
Subscriptions		789	752
Web management		200	198
Other		797	2,244
		<u>23,810</u>	<u>27,110</u>
<b>Surplus for the year</b>		<u><b>39,897</b></u>	<u><b>15,100</b></u>

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

## Consolidated Statement of Financial Position

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash on hand and at bank		73,728	39,987
Merchandise on hand		1,920	2,302
Prepayments and receivables			
<b>Total Current Assets</b>		<b>75,648</b>	<b>42,289</b>
<b>Non-Current Assets</b>			
Investments	4	316,937	336,483
Library collection	5	100,000	100,000
Library Compactus and office equipment	6	49,559	51,445
<b>Total Non-Current Assets</b>		<b>466,496</b>	<b>487,928</b>
<b>Total Assets</b>		<b>542,144</b>	<b>530,217</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Subscriptions paid in advance		10,735	9,922
Other payables			144
<b>Total Liabilities</b>		<b>10,735</b>	<b>10,066</b>
<b>Net Assets</b>		<b>531,409</b>	<b>520,151</b>
<b>Funds</b>			
Reserves	7	151,848	180,698
Accumulated funds		379,561	339,453
<b>Total Funds</b>		<b>531,409</b>	<b>520,151</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 \$	Accumulated Funds \$	Total Funds \$
Balance at 1 July 2020	129,612	3,707	325,056	458,375
Surplus for the year			15,109	15,109
Investment Revaluation	46,675			46,675
Transfer to/(from) reserves		704	-704	0
<b>Balance at 30 June 2021</b>	<b>176,287</b>	<b>4,411</b>	<b>339,461</b>	<b>520,159</b>
Balance at 1 July 2021	176,287	4,411	339,461	520,159
Surplus for the year			39,897	39,897
Investment revaluation	-28,647			-28,647
Transfer to/(from) reserves		-203	203	0
<b>Balance at 30 June 2022</b>	<b>147,640</b>	<b>4,208</b>	<b>379,561</b>	<b>531,409</b>

## Consolidated Statement of Cash Flows

	2022 \$	2021 \$
Surplus for the year	39,897	15,101
Non-cash item (depreciation)	3,824	4,404
Change in stock and receivables	382	-437
Change in subscriptions in advance and other payables	669	1,346
Purchase of equipment	-1,938	
<b>Net cash provided by operating activities</b>	<b>42,834</b>	<b>20,414</b>
Net sale/ purchase (-) of investments	-9,093	-9,933
Cash and cash equivalents at beginning of year	39,987	29,506
<b>Cash and cash equivalents at end of year</b>	<b>73,728</b>	<b>39,987</b>

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

## Statement of Income and Expenditure for the Library Gift Fund

	2022	2021
	\$	\$
<b>Income</b>		
Donations	23,515	9,999
Investment income	2,539	1,616
	<b>26,054</b>	<b>11,615</b>
<b>Expenditure</b>		
Book purchases	1,682	2,356
Depreciation	3,104	3,684
Software support	3,259	3,109
Subscriptions	629	617
Other		900
	<b>8,674</b>	<b>10,666</b>
<b>Surplus/deficit for the year</b>	<b>17,380</b>	<b>949</b>

## 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 & seminar	4,924	992	3,932
Social events and visits	2,685	2,601	84
<b>Total</b>	<b>7,609</b>	<b>3,593</b>	<b>4,016</b>

### 3 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.

### 4 Investments

	2022	2021
	\$	\$
Value of listed securities at start of year	336,483	279,875
Net investment/disinvestment (-) during year	9,093	9,933
Adjusted value	345,576	289,808
Net revaluation /devaluation (-) during year	-28,639	46,675
<b>Market value at end of year</b>	<b>316,937</b>	<b>336,483</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 5.8% for the five years to 30 June 2022. The actual return for this five year period was 3.7% per annum with this shortfall being primarily a consequence of the recent significant devaluation in investment markets resulting from the effects of the pandemic, the war in the Ukraine and global inflation fears.

## 5 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 \$1,682 were expensed.

## 6 Library Compactus and office equipment

	<b>2022</b>	<b>2021</b>
	\$	\$
Compactus		
Cost	59,270	59,270
Less accumulated depreciation	-11,856	-8,892
Net value	<u>47,414</u>	<u>50,378</u>
Video Camera		
Cost	2,127	2,127
Less accumulated depreciation	-1,920	-1,200
Net value	<u>207</u>	<u>927</u>
Computers		
Cost	4,118	2,180
Less accumulated depreciation	-2,180	-2,040
Net value	<u>1,938</u>	<u>140</u>
<b>Total net value</b>	<b><u>49,559</u></b>	<b><u>51,445</u></b>

## 7 Consolidated Reserves

	<b>2022</b>	<b>2021</b>
	\$	\$
Asset Revaluation Reserve	147,640	176,287
International Dialogue Reserve (Capt John Leece)	4,208	4,411
	<b><u>151,848</u></b>	<b><u>180,698</u></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 2022 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 (Signed)  
President

2 August 2022

Roger Perry OAM (Signed)  
Treasurer

2 August 2022

## **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 2022.

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 2022 and of the financial performance for the year ending on that date.

John C Rudd OAM FCPA (Signed)

Honorary Auditor

20 July 2022