

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

CONTENTS	<u>Page</u>
Committee's Report	1
Auditor's Independence Declaration	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Statement by Members of the Committee	12
Independent Auditor's Review Report	13

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Committee's Report

The committee members present the financial report of Royal Historical Society of Victoria Inc. ("the association") for the financial year ended 31 December 2020.

Committee Members

The names of the committee members at any time during or since the end of the year are:

- Emeritus Professor Richard Broome AM FAHA FRHSV (President)
- Elisabeth Jackson FRHSV (Vice President)
- Daniel Clements (Treasurer)
- Carole Woods OAM FRHSV (Secretary)
- Margaret Anderson
- Dr Robert Barnes FRHSV
- Lucy Bracey (until AGM May 2020)
- Cathy Butcher
- George Fernando (until AGM May 2020)
- Associate Professor Don Garden OAM FFAHS FRHSV
- Pauline Hitchins
- Dr Judith Smart AM FRHSV (from AGM May 2020)
- Emeritus Professor Charles Sowerwine
- Elizabeth Triarico (from AGM May 2020)
- Dr Rosalie Triolo FRHSV
- Dr Nikita Vanderbyl (from September Council Meeting 2020)

Principal Activities

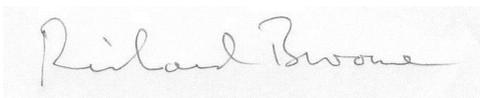
The principal activities of the association during the financial year were to develop and conserve our collection of Victorian history, to promote all aspects of Victorian history through exhibitions, publications and events for its members and the general public, to recognise outstanding achievement in Victorian history, to support affiliated historical societies and to act as an advocate in the conservation and promotion of Victoria's cultural and built heritage.

No significant change in the nature of these activities occurred during the year.

Operating Result

The operating surplus of the association for the financial year amounted to \$78,407.

Signed in accordance with a resolution of the members of the committee:



Professor Richard Broome
President



Daniel Clements
Treasurer

Dated: May 2021

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Auditor's Independence Declaration

Under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012

To the Committee of Royal Historical Society of Victoria Inc.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

**DFK BKM Audit Services
Camberwell, Victoria**

Director: Kevin P. Adams

May 2021

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

	2020	2019
	\$	\$
Revenue		
Research fees	17,985	33,670
Sales publications	54,415	47,118
Donations	69,850	104,172
State government grants – Creative Victoria	108,457	84,315
State government grants – Public Record Office Victoria	15,000	15,000
Federal government grants – National Library of Australia	13,540	-
Government grants stimulus packages – Treasury	104,647	-
Government grants stimulus packages – Department of Jobs, Precincts and Regions	20,000	-
Government grants stimulus packages – City of Melbourne	1,817	-
Annual subscriptions	78,633	72,485
Insurance – member societies	125,078	138,132
U Ethical investment income	32,228	106,611
Interest income	334	1,120
Other income	23,984	61,067
Total Revenue	665,968	663,690
Expenses		
Advertising and marketing	2,909	3,288
Accounting and audit fees	5,756	5,380
Bank charges	3,660	3,723
Books	37,189	20,711
Computer and internet	20,084	17,591
Consultancy costs	930	8,645
Depreciation	5,438	874
Grants – Holsworth Fund	11,874	-
Insurance	48,020	46,302
Insurance assets historic societies	55,819	45,991
Member support services	6,404	18,158
Occupancy costs	41,117	52,903
Postage	17,264	14,422
Printing and stationeries	8,623	7,245
Publications	13,092	21,704
Staff costs	300,456	265,236
Telephone	2,699	3,333
Other expenses	6,227	18,562
Total Expenses	587,561	554,068
Surplus for the Year	78,407	109,622
Total Comprehensive Income for the Year	78,407	109,622

The accompanying notes form part of the financial statements.

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Statement of Financial Position As at 31 December 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash and cash equivalents	2	288,162	238,478
Trade and other receivables	3	29,600	51,871
Other assets	4	41,025	41,001
Total Current Assets		358,787	331,350
Non-Current Assets			
Other financial assets	5	835,308	810,252
Collections, plant and equipment	6	1,863,694	1,845,882
Total Non-Current Assets		2,699,002	2,656,134
Total Assets		3,057,789	2,987,484
Liabilities			
Current Liabilities			
Trade and other payables	7	52,206	43,154
Income received in advance	8	157,772	196,076
Provisions	9	21,150	-
Total Current Liabilities		231,128	239,230
Total Liabilities		231,128	239,230
Net Assets		2,826,661	2,748,254
Equity			
Reserves	10	2,577,944	2,571,826
Retained surplus		248,717	176,428
Total Equity		2,826,661	2,748,254

The accompanying notes form part of the financial statements.

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Statement of Changes in Equity For the Year Ended 31 December 2020

	Reserves \$	Retained Surplus \$	Total \$
Balance at 1 January 2019	2,493,944	144,688	2,638,632
Total comprehensive income for the year	-	109,622	109,622
Transfer from retained surplus to reserves	77,882	(77,882)	-
Balance at 31 December 2019	2,571,826	176,428	2,748,254
Total comprehensive income for the year	-	78,407	78,407
Transfer from retained surplus to reserves	6,118	(6,118)	-
Balance at 31 December 2020	2,577,944	248,717	2,826,661

The accompanying notes form part of the financial statements.

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Statement of Cash Flows For the Year Ended 31 December 2020

	Note	2020	2019
		\$	\$
Cash Flows from Operating Activities			
Receipts from customers		387,243	463,376
Government grants received		237,636	129,355
Payments to suppliers and employees		<u>(551,945)</u>	<u>(598,439)</u>
Net cash provided by (used in) operating activities	11	<u>72,934</u>	<u>(5,708)</u>
Cash Flows from Investing Activities			
Purchase of collections, plant and equipment		<u>(23,250)</u>	-
Net cash used in investing activities		<u>(23,250)</u>	-
Net increase (decrease) in cash held		49,684	(5,708)
Cash and cash equivalents at the beginning of the financial year		<u>238,478</u>	<u>244,186</u>
Cash and cash equivalents at the end of the financial year	2	<u>288,162</u>	<u>238,478</u>

The accompanying notes form part of the financial statements.

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Notes to the Financial Statements For the Year Ended 31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The committee has prepared the financial statements on the basis that the association is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the committee has determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(b) Revenue

Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to a customer.

Grant revenue is recognised in profit or loss when the association satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Donations are recognised as revenue when received.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement by the association in those goods.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax.

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Notes to the Financial Statements For the Year Ended 31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Collections, Plant and Equipment

Collections are measured on the valuation basis less accumulated depreciation and any accumulated impairment losses. Plant and equipment are measured on the cost basis less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis or a diminishing value basis over the asset's useful life to the association commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

(d) Financial Instruments

Financial instruments are recognised initially on the date the association becomes a party to the contractual provisions of the instrument. On initial recognition, all financial instruments are initially measured at fair value plus transaction costs. Where available, quoted prices in an active market are used to determine fair value.

Financial assets

Classification

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

Amortised cost

The association's financial assets measured at amortised cost comprise cash and cash equivalents and trade and other receivables in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less any provision for impairment. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit or loss

The association has a number of strategic investments in managed funds over which they do not have significant influence nor control. The association has made an irrevocable election to classify these investments as fair value through profit or loss. These investments are carried at fair value with changes in fair value recognised in profit or loss. Distributions and other net gains and losses are recognised as income in profit or loss.

Financial liabilities

The association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Notes to the Financial Statements For the Year Ended 31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

When it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(h) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(i) Critical Accounting Estimates and Judgments

The committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

(j) Consolidation of RHSV Inc and RHSV Foundation

It was determined in 2018 by the Board to consolidate the RHSV Foundation into the accounts of RHSV Inc for completeness and simplicity of reporting. The Foundation held a share of managed funds in the name of RHSV Inc and was previously reported separately. The effect of the consolidation is an increase in the value of investments held and an increase in Reserves within Equity.

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Notes to the Financial Statements For the Year Ended 31 December 2020

	2020 \$	2019 \$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash on hand	1,308	973
Cash at bank	286,854	237,505
	<u>288,162</u>	<u>238,478</u>
NOTE 3: TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	22,428	51,871
Accrued income	7,172	-
	<u>29,600</u>	<u>51,871</u>
NOTE 4: OTHER ASSETS		
Current		
Prepayments	30,093	26,061
Inventories – at cost	10,932	14,940
	<u>41,025</u>	<u>41,001</u>
NOTE 5: OTHER FINANCIAL ASSETS		
Non-Current		
U Ethical Growth Portfolio – at fair value	464,886	453,232
U Ethical Enhanced Cash Trust Wholesale – at fair value	370,422	357,020
	<u>835,308</u>	<u>810,252</u>
NOTE 6: COLLECTIONS, PLANT AND EQUIPMENT		
Collections – at valuation	1,841,804	1,841,804
Plant and equipment – at cost	58,724	35,474
Accumulated depreciation	(36,834)	(31,396)
	<u>21,890</u>	<u>4,078</u>
	<u>1,863,694</u>	<u>1,845,882</u>
NOTE 7: TRADE AND OTHER PAYABLES		
Current		
Trade creditors	25,190	11,254
GST payables	5,038	2,697
Other payables	21,978	29,203
	<u>52,206</u>	<u>43,154</u>

Royal Historical Society of Victoria Inc.

ABN 36 520 675 471

Notes to the Financial Statements For the Year Ended 31 December 2020

	2020 \$	2019 \$
NOTE 8: INCOME RECEIVED IN ADVANCE		
Current		
Subscriptions in advance	52,710	50,545
Insurance in advance	38,289	35,060
Grants in advance	66,773	110,471
	<u>157,772</u>	<u>196,076</u>
NOTE 9: PROVISIONS		
Current		
Provision for annual leave	21,150	-
NOTE 10: RESERVES		
Foundation	625,202	624,721
Weston Bate Reserve	17,616	17,097
Don Gibb Reserve	10,384	10,370
Estate of John Adams Reserve	11,058	10,731
Vic Historical Journal Reserve	71,880	67,103
Asset Revaluation Reserve	1,841,804	1,841,804
	<u>2,577,944</u>	<u>2,571,826</u>
NOTE 11: CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Surplus for the Year		
Surplus for the year	78,407	109,622
Non-cash flows in surplus:		
- depreciation	5,438	874
- U Ethical investment income reinvested	(32,228)	(106,611)
Changes in assets and liabilities:		
- decrease in trade and other receivables	29,443	20,866
- increase in other assets	(24)	(17,694)
- increase (decrease) in trade and other payables	9,052	(27,551)
- increase (decrease) in income received in advance	(38,304)	14,786
- increase in provisions	21,150	-
Net cash provided by (used in) operating activities	<u>72,934</u>	<u>(5,708)</u>

Royal Historical Society of Victoria Inc.

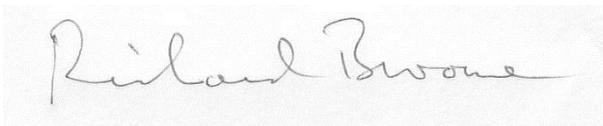
ABN 36 520 675 471

Statement by Members of the Committee

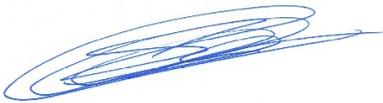
In accordance with a resolution of the committee of Royal Historical Society of Victoria Inc., the committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The committee of the association declares that:

1. The financial statements and notes, as set out on pages 3 to 11, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. give a true and fair view of the association's financial position as at 31 December 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
 - b. comply with the applicable Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.



Professor Richard Broome
President



Daniel Clements
Treasurer

Dated: May 2021