rcsa/ LEADING IN THE WORLD OF WORK

2019 ANNUAL REPORT

Contents

2018/2019 RCSA ANNUAL REPORT

President's Report

Time certainly flies when you are having fun.

As my term as RCSA's president draws to a close in November, I wanted to reflect on and share with our valued members, colleagues and friends some of my fondest memories and learnings during this time.

It's been such a pleasure to act as RCSA's president and work with such a special group of people who are truly 'leading in the world of work'.

For the past two years, I've been fortunate to speak with RCSA CEO Charles Cameron for an hour every Monday afternoon to discuss strategy, policy positions, advocacy and any other topical issue which comes up in our weekly meeting.

It's these catch ups I will reflect back on fondly, as they provided me with a real opportunity to get to know our CEO and provided a unique platform for us to push each other in the right direction to get the best outcomes for our members, our RCS-A team and our industry as a whole.

For anyone who doesn't know Charles; he loves a sporting analogy and is a confirmed cricket tragic. It's with this in mind I'll combine two of his favourite things with the words of Rahul Dravid,

> "what drew me towards team sport was the camaraderie and the friendship. The chance to celebrate victory and success with a group of other people is something I have always enjoyed doing."

This quote perfectly reflects how I have felt working with RCSA as it shows what the difference a great team can make. The commitment and passion this team displays for our industry every day is second to none.

Another exceptional memory was the two day strategy session we held for the Board and senior leadership team earlier this year in RCSA's new and much improved offices.

Taking on the role of President taught me many things, but the most important thing I learned over the past two years was that my opinion always needed to come last and for all of my fellow A-type personalities out there, you will appreciate that this can be a challenge!

I spent the two days scribbling ideas furiously on whiteboard walls, covering everything from superannuation thresholds for temporary workers through to the ever-pervasive double-dipping issue.

I walked away from this experience with the conviction and confidence that we have a strong group of people with a variety of ideas and a willingness to share them. I feel confident that we have an energised and passionate board who will continue to lead our members in the right direction for many years to come. I'm proud and humbled to have had the opportunity to be part of it.

There have been many great achievements for the association this year and they all deserve a mention.

They range from the influence the RCSA has had in the changes made to the remuneration threshold for 457 visas for recruitment consultants to the amendments under consideration for the South Australian Labour Hire Licensing.

The exceptional awards ceremonies across Australia and New Zealand, the inclusion of our new TechXpo events held in Sydney and in New Zealand, and the major conference in conjunction with our friends and colleagues from the World Employment Confederation are all examples of an association focused on delivering unparalleled events for our industry.

I spoke at the Australian awards ceremony earlier this year about legacy and the importance of reflecting on those who have built the industry that we celebrate today. But of course, legacy has to start somewhere and one of the most outstanding memories I will cherish from this year and something I feel will be a legacy for the future is the recently launched **#LoveYourWork campaign.**

We are all fully aware of the attacks we have faced as an industry and the way in which some elements of our society like to denigrate agency work as though it is an unsavoury and unethical type of employment.

We also know this is untrue and this year, we have decided to reclaim the narrative, not by attempting to launch a counter-attack and waste our energies and our valuable members' funds on an unwinnable argument.

We decided to rise above this negative approach and launched a campaign, which speaks to the positive benefits agency work offers to our candidates, our clients and our communities at large. From the young worker seeking their first opportunity in the workforce to the older workers struggling to get back into the workforce and for those who choose the flexibility of agency work as their long-term career choice, we present a real and genuine alternative and we are ready to share those stories to remind our policy-makers of what the value of our industry actually is.

So, although I may no longer be representing you as President of this wonderful association, I will be taking up the challenge and am asking you to do the same. Share your stories far and wide of all those workers you have helped to secure employment and tell as many people as you can about how much you #LoveYourWork and how proud you are of the industry that has provided you with that chance.

We owe it to the future of our industry.

Sinead Hourigan FRCSA
President

CEO's Report

The staff and I are extremely proud of the RCSA community and the way in which you, our members, empower people, business and government. We are proud of how we all work as one to empower the brand of recruitment, staffing and workforce solutions in a changing, and often challenging, world of work.

Ours is a strong and vibrant association of professionals and firms who gain most from seeing people and enterprise grow and seize opportunities. The 2018-19 year has been a strong one in so many aspects: financial results, membership growth, exceptionally strong advocacy and evolved membership service but, above all, our success has been defined by our collective purpose. The power of our community.

We #LoveYourWork so very much!

The existence of over 200 members belonging to either an RCSA Board, Region Council, Member Group or Working Group is testament to our belonging and purpose and as we come to the end of our current three-year strategy the Board, staff and I are very excited about the foundations upon which we can drive even better work and workforce outcomes for New Zealanders and Australians. We have broken attendance records at our Industry Award Nights in Auckland and Sydney. We sold out our International Conference in Noosa, Queensland. We made a record contribution back in to the financial reserves to ensure 'surplus for purpose'. We have built, and maintained, an exceptionally talented group of people that are the RCS A-Team of staff and managers who, I can quite genuinely say, love representing you every day in every way. It is your energy and purpose that fuels our ongoing pursuit of excellence.

While our association is about people and purpose, it is critical to ensure that we convert this in to financial success. At RCSA, we are proud to make a profit to ensure that we can continue to achieve our purpose and contribute to the success of New Zealand and Australia. When I commenced as CEO, just before the 2016-17 financial year, I planned, with the support of the Board, to borrow from the RCSA reserves to invest in the re-structuring and re-energising of RCSA, which we did, break even in the second year, which we did, and then return on that investment in year three, which we have just done. Our financial profit (because we profit in so many other ways) of $474,000 is a strong result and returns more than we borrowed from the reserves to create a next generation association for you. Thank you for helping us grow stronger.

I would like to thank those members who contributed to the funding of our #LoveYourWork campaign to promote agency work in New Zealand and Australia.

This is an investment in the future of our industry and the pride that we must have in what we do, and how we improve lives.

I would like to recognise the great work of members in developing a pathway toward more sustainable procurement models, and I would like to thank our members for making submissions in New Zealand that stood up against unworkable laws proposed within the Triangular Employment Bill. I would like to thank our members for saying no to completely unacceptable demands for client lists under the Victorian Labour Hire Licensing scheme and I would like to thank those members that have led from the front in becoming StaffSure certified. I could thank so many others but, importantly, you don't do what you do for thanks you do it because you want to stand for something.

I would especially like to thank Sinead Hourigan FRCSA, who stands down as President of RCSA and who has been an inspiration to us all within RCSA. Board, staff and members alike. Sinead, your clarity of purpose and belief in all that we do has been an incredibly important part of the RCSA empowerment. Through members like you, and the thousands of others that lead our industry, we #LoveYourWork!

Thank you to the entire RCSA community. I will leave the final word to Sinead. LEGACY!

Charles Cameron
CEO

Partners

RCSA would like to thank its 2018/2019 Supporters without which many programs, events and activities would not be possible.

Our Purpose

To lead in the world of work.

OUR STRATEGIC PRIORITIES

LEAD WITH TALENT

We will attract, retain and grow top talent aligned to the purpose and values of RCSA

MEMBER CENTRIC STRATEGY

We will ensure that everything we do is in the pursuit of delivering a world class 'Member Centric' experience

STREAMLINED FOR SERVICE

We will enhance our service delivery and member engagement through implementation of business critical processes

MEMBER GROUP OPTIMISATION

We will review and optimise all member groups to engage, empower and harness the enthusiasm and capability of volunteers to best achieve our mission

SURPLUS FOR PURPOSE

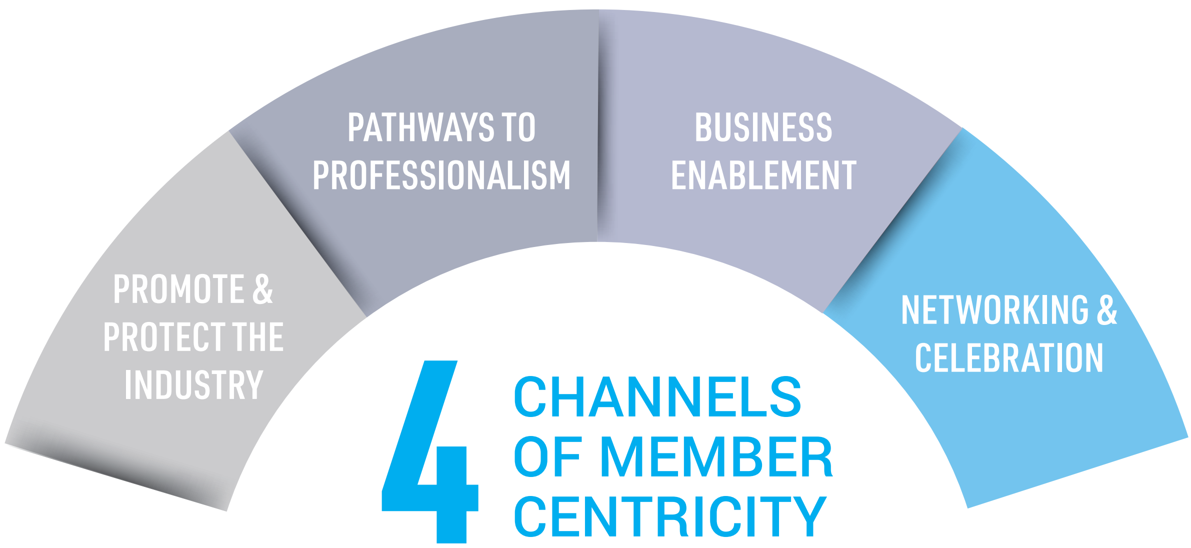
We will generate a surplus, both overall and individually, within functional areas. Growth and diversification of revenue across members, partners and through alternative opportunities

Our Mission

Through our leadership in the world of work, and empowerment of members, we will improve lives, communities and the economy.

OUR MEMBER VALUE PROPOSITION

Everything that we do is in the pursuit of delivering a world class ‘Member Centric’ experience. We will lead and respond to our members through four principal channels and, by doing so, will compel the wider industry and next generation of professionals to fulfil our mission.



Board of Directors

Sinead Hourigan
FRCSA

Qualifications:

Hon Degree English; Diploma PR & Media Studies; Certificate in Business Administration; degree in European Studies

Experience:

17 years in recruitment industry

Special Responsibilities:

RCSA President, Chair of Executive Committee, Chair of Partnerships Committee

Nina Mapson Bone
FRCSA

Qualifications:

MA (Hons)

Experience:

18 years Recruitment, 10 years sales in UK, Europe, USA and Australia

Special Responsibilities:

RCSA Vice President, Member of Executive Committee, Member of Remuneration & Nominations Committee, Chair of Membership Committee

Ian McPherson
FRCSA

Experience:

26 years in recruitment industry

Special Responsibilities:

RCSA Vice President, Member of Executive Committee, Member of Audit & Risk Committee, Member of Partnerships Committee

Steve Heather
FRCSA

Qualifications:

Bachelor Applied Science (Mining Engineer), W.A.S.M. First Class Mine Mangers Certificate of Competency (WA law)

Experience:

19 years mining industry experience, 23 years recruitment industry

Special Responsibilities:

RCSA Finance Director, Member of Executive Committee, Chair of Audit & Risk Committee

Directors

The Directors of the RCSA receive no remuneration for holding office. All Directors are non-executive. Certain reimbursements are made to Directors to meet out of pocket expenses for attending meetings.

Penelope O'Reilly
MRCSA

Qualifications:
Bachelor of Business

Experience:
21 years in recruitment, 27 years in leadership roles

Special Responsibilities:
Director, Chair of Remuneration & Nominations Committee, Member of Membership Committee

Matthew Sampson
MRCSA

Qualifications:
Bachelor of Commerce

Experience:
13 years in recruitment

Special Responsibilities:
Director, Member of Audit & Risk Committee

Alan Bell
FRCSA

Experience:
16 years plus in recruitment industry

Special Responsibilities:
Director representing Member Groups ANRA and AMRANZ

Sally Mlikota
MRCSA

Qualifications:
Bachelor (Hons) Geography & Economics

Experience:
30 years in recruitment industry

Special Responsibilities:
Director, Member of Membership Committee

Andrew Sullivan
FRCSA

Qualifications:
Bachelor of Arts (Communications)

Experience:
15 years recruitment and executive search experience

Special Responsibilities:
Director, Member of Remuneration & Nominations Committee

Financial Report for the year ended 30 June 2019

THE RECRUITMENT, CONSULTING & STAFFING ASSOCIATION LIMITED
ABN 41 078 606 416

Directors' Report

Your directors present this report on The Recruitment, Consulting & Staffing Association ("RCSA") for the year ended 30 June 2019.

DIRECTORS

The names of each person who has been a director during or since the end of the financial year are:

S Hourigan FRCSA

A. Sullivan FRCSA

N Mapson Bone FRCSA

P O'Reilly MRCSA

S Mlikota MRCSA

N Fairbank MRCSA (resigned 22 November 2018)

S Heather FRCSA

A Bell FRCSA

I McPherson FRCSA

M Sampson MRCSA

P Langford FRCSA (resigned 22 November 2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the entity during the financial year was to represent Members and to advance the interests of Members.

There have been no significant changes in the nature of these activities during the year.

OPERATING RESULTS

The profit of the RCSA after providing for income tax amounted to $474,020 (2018: loss of $35,656).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year and no recommendation is made as to dividends, as the RCSA is not permitted to pay dividends under its Constitution.

REVIEW OF OPERATIONS

The operations and state of affairs reflect the outcome of the various activities of the RCSA for the year ended 30 June 2019.

During the year ended 30 June 2019 RCSA maintained alignment with its strategy, purpose and mission. The strategy was established for the three calendar years 2017 to 2019, expiring on 1 January 2020. A review of the strategy was undertaken by the Board, CEO, and General Manager – Operations & Member Services during the year and remains fundamentally unaltered.

The strategy remains as follows:

RCSA Member value proposition (part of our strategy)

Everything that we do is in the pursuit of delivering a world class 'Member Centric' experience. We will lead, and respond to, our members through four principal channels and, by doing so, will compel the wider industry and the next generation of professionals to fulfil our mission.

RCSA's 4 Channels of member centricity

1. Promote and Protect the Industry
2. Create Pathways to Professionalism
3. Provide Business Enablement
4. Provide opportunities for Networking and Celebration

RCSA's Strategic priorities

1. Member Centric Strategy

We will ensure that everything that we do is in the pursuit of delivering a world class 'Member Centric' experience

2. Lead with Talent

We will attract, retain and grow top talent aligned to the purpose and values of the RCSA

3. Streamlined for Service

We will enhance our service delivery and member engagement through implementation of business critical processes

4. Member Group Optimisation

We will review and optimise all member groups to engage, empower and harness the enthusiasm and capability of volunteers to best achieve our mission.

5. Surplus for Purpose

We will generate a surplus, both overall and individually within function areas. Growth and diversification of revenue across members, partners and through alternative opportunities.

DIRECTORS' REPORT CONTINUED

RCSA's Short term objectives

- Continue to invest in the structural capacity of the association to fulfil the strategic priorities, primarily by upgrading, populating and maintaining our customer relationship management database;
- Consolidate the existing operations and make an increased commitment to the retention of staff to ensure fulfilment of our strategy;
- Continue to improve the financial management of the RCSA under the leadership of the CEO and Finance Manager
- Refine, develop and promote a market competitive learning and development service offering; and
- Continue to develop revenue streams via the RCSA StaffSure Workforce Services Provider Standard and renewed partnership marketing programs.

RCSA's Long term objectives

- To lead in the world of work via the fulfilment of our mission and value proposition to members;
- To develop secure revenue lines across our 4 Channels of Member Centricity and, by doing so, becoming financially secure and reinvest in our strategy;
- Retain key staff in line with our 'leading with talent' strategic priority; and
- Become a key influencer in policy across Australia and New Zealand through our Member Group Optimisation strategic priority.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year ended 30 June 2019 there was change to the state of affairs as follows:

Improved member engagement strategy, delivering improved member retention;

Improved event attendance at Awards Night and Conference, resulting in improved capacity for financial performance this financial year;

Commencement of a Campaign to Promote and Protect the Staffing industry, a special membership project that will continue into the next financial year and for which a portion of the funds received and matching expense has been recognised in the current financial year and

Investment in additional sponsorship revenue lines via a sponsorship growth project.

AFTER BALANCE DATE EVENTS

No other matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the RCSA, the results of those operations, or the state of affairs of the RCSA in subsequent financial years.

CONTRIBUTION IN WINDING UP

The RCSA is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the RCSA is wound up, the constitution states that each member is required to contribute a maximum of $50 towards meeting any outstanding obligations. At 30 June 2019 the total amount that members of the entity are liable to contribute if the entity is wound up is $73,300 (2018: $78,500).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is included in page 15 of this financial report and forms part of the Directors' Report.

DIRECTORS' REPORT CONTINUED

INFORMATION ON DIRECTORS

Information on directors contained on pages 8-9 forms part of the Directors' Report.

MEETINGS OF DIRECTORS

The number of meetings of the Directors (including Committee Meetings) held during the year and the number of meetings attended by each director is as follows:

	DIRECTORS' MEETINGS		EXECUTIVE COMMITTEE MEETINGS		AUDIT & RISK COMMITTEE MEETINGS		REMUNERATION & NOMINATIONS COMMITTEE MEETINGS		MEMBERSHIP COMMITTEE MEETINGS		PARTNERSHIPS COMMITTEE MEETINGS	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
S Hourigan	6	6	4	4	-	-	-	-	-	-	6	6
I McPherson	6	6	4	4	4	4	-	-	-	-	6	6
N Mapson Bone	6	5	4	3	-	-	4	4	4	4	-	-
S Heather	6	6	4	3	4	3	-	-	-	-	-	-
P O'Reilly	6	6	-	-	-	-	4	3	4	4	-	-
A Sullivan	6	4	-	-	-	-	4	3	-	-	5	3
M Sampson	6	6	-	-	4	4	-	-	-	-	-	-
S Mlikota	6	6	-	-	-	-	-	-	4	4	-	-
A Bell	6	2	-	-	-	-	-	-	-	-	-	-
P Langford	3	3	2	2	-	-	2	2	-	-	-	-
N Fairbank	3	-	-	-	-	-	-	-	-	-	3	3

DIRECTORS' REPORT CONTINUED

FUTURE DEVELOPMENTS

Likely developments in the operations of the RCSA and the expected results of those operations in future financial years have not been included in this report as the Directors believe that the inclusion of such information is likely to result in unreasonable prejudice to the RCSA.

ENVIRONMENTAL

The RCSA's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or ofa State or Territory.

PROCEEDINGS ON BEHALF OF THE RECRUITMENT, CONSULTING & STAFFING ASSOCATION LTD (RCSA)

No person has applied for leave of Court to bring proceedings on behalf of the RCSA or intervene in any proceedings to which the RCSA is a party for the purpose of taking responsibility on behalf of the RCSA for all or part of those proceedings.

The RCSA was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors

Sinead Hourigan FRCSA
Director

Nina Mapson Bone FRCSA
Director

Dated this 4th day of September 2019
Melbourne, Victoria

Hourigan Partners

Auditor's Independence Declaration

To the Directors of
The Recruitment, Consulting & Staffing Association Limited ACN 078 606 416

In accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Recruitment, Consulting & Staffing Association Limited for the year ended 30 June 2019.

I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Simon Hourigan
Director

Hourigan Partners Audit Pty Ltd
ACN 149 707 960

Melbourne
4 September 2019

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Revenue	2	5,053,643	4,058,453
Salaries and employee benefits expense	9(a)	(1,911,138)	(1,787,251)
Membership services and representation expenses		(704,088)	(468,658)
Learning and development expenses		(311,341)	(261,271)
Event and functions expenses		(483,728)	(503,969)
Conference expenses		(504,070)	(357,078)
Marketing expenses		(105,043)	(147,936)
Depreciation expense	7	(56,033)	(62,432)
Computer expenses		(108,071)	(117,524)
Office and administration expenses		(169,381)	(193,610)
Occupancy expenses		(226,730)	(194,382)
Surplus / (deficit) before income tax expense		474,020	(35,658)
Income tax expense		-	-
Surplus / (deficit) for the year		**474,020**	**(35,658)**
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income (loss) for the year		**474,020**	**(35,658)**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Current assets			
Cash and cash equivalents	3	1,734,568	1,325,011
Trade and other receivables	4	97,988	180,889
Other assets	5	267,623	353,813
Financial assets	6	1,285,396	825,794
Total current assets		**3,385,575**	**2,685,507**
Non-current asset			
Plant and equipment	7	95,782	97,931
Other assets	5	82,563	-
Total non-current asset		**178,345**	**97,931**
Total assets		**3,563,920**	**2,783,438**
Current liabilities			
Trade and other payables	8	396,095	307,385
Employee benefits	9	83,011	55,686
Deferred income	10	1,876,362	1,689,783
Total current liabilities		**2,355,468**	**2,052,854**
Non-current liability			
Employee benefits	9	26,821	15,945
Total non-current liability		**26,821**	**15,945**
Total liabilities		**2,382,289**	**2,068,799**
Net assets		**1,181,631**	**714,639**
Members' Funds			
Retained profits		1,193,530	719,510
Foreign currency translation reserve		(11,899)	(4,871)
Total Members' Funds		**1,181,631**	**714,639**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

As at 30 June 2019

	Retained profits $	Foreign currency translation reserve $	Total Members' Funds $
Total members funds at 1 July 2017	755,166	(1,513)	753,653
Total comprehensive loss for the year	(35,656)	-	(35,656)
Foreign currency translation	-	(3,358)	(3,358)
Total equity at 30 June 2018	719,510	(4,871)	714,639
Total members funds at 1 July 2018	719,510	(4,871)	714,639
Total comprehensive profit / (loss) for the year	474,020	-	474,020
Foreign currency translation	-	(7,028)	(7,028)
Total equity at 30 June 2019	1,193,530	(11,899)	1,181,631

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Cash flow from operating activities			
Receipts from membership subscriptions, events and workshops		5,764,312	5,134,029
Payment to suppliers and employees		(4,922,343)	(4,671,939)
Interest, dividends and distributions received		16,994	8,675
Net cash provided by (used in) operating activities	12	858,963	470,765
Cash flow from investing activities			
Purchase of plant and equipment		(56,741)	(29,021)
Proceeds from disposals of plant and equipment		1,249	-
Purchase of financial assets		(400,000)	-
Withdrawal of funds from financial assets		554	-
Net cash used in investing activities		**(454,938)**	**(29,021)**
Net increase in cash held		404,025	441,744
Cash and cash equivalents at beginning of the financial year		1,325,011	886,429
Exchange difference on cash and cash equivalents		5,533	(3,162)
Cash and cash equivalents at the end of the financial year	3	1,734,569	1,325,011

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Basis of preparation

The consolidated general purpose financial statements of the Organisation have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* , Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Organisation applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The financial report covers the Company of the Recruitment, Consulting & Staffing Association Limited ("RCSA"). RCSA is a company limited by guarantee, incorporated and domiciled in Australia, and with a branch in New Zealand.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable by the measurement of fair value of selected non current assets, financial assets and financial liabilities.

The consolidated financial statements for the year ended 30 June 2019 were approved and authorised for issue by the directors on 4 September 2019.

Summary of accounting policies

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

(b) Basis of consolidation

The Organisation financial statements consolidate those of the RCSA Australian entity and it's NZ branch as of 30 June 2019. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Both the Australian entity and the NZ branch have a reporting date of 30 June.

All transactions and balances between Organisation entities are eliminated on consolidation, included unrealised gains and losses on transactions between Organisation entities. Where unrealised losses of intra- Organisation asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Organisation perspective. Amounts reported in the financial statements of the NZ branch have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Organisation.

(c) Revenue

Revenue comprises revenue from membership fees, events, education and workshop fees, sponsors and grants. Revenue from major products and services is shown in Note 2.

Revenue is measured by reference to the fair value of consideration received or receivable by the Organisation for goods supplied and services provided.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Organisation's different activities have been met. Details of the activity-specific recognition criteria are described below.

Membership revenue

Membership revenue is recognised upon the provision of the service to the RCSA's members, on a straight line basis. Where the period of service delivery extends beyond year end, the portion of the revenue relating to future years is recognised as deferred income at the end of the year.

Learning & development and events revenue

Learning & development and event related revenue (including event-specific sponsorships) is brought to account in the statement of comprehensive income in the year that the event is held.

General sponsorship revenue

General sponsorship revenue is recognised over the life of the contract. If conditions are attached to the sponsorship which must be satisfied before it is eligible to receive the contribution, the recognition of the revenue will be deferred until those conditions are satisfied.

Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Interest, dividend and other investment revenue

Interest revenue is recognised on an accrual basis using the effective interest rate method. Dividend and other investment income is recognised at the time the right to receive payment is established.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

(d) Conference revenue and expenses

Conference related revenue and expenditure is brought to account in the statement of comprehensive income in the year that the conference is held.

(e) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

(f) Plant & equipment

Plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Organisation's management.

Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write-down the cost less estimated residual value of plant and other equipment. The following useful lives are applied:

Furniture & fittings: 3-5 years

Computer software & equipment: 2.5 - 3 years

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains and losses on disposals are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(g) Leases

Operating leases

Where the entity is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(h) Impairment testing of plant and equipment

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(i) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised where the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2019

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Organisation's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The Organisation's investments managed funds included under current financial assets fall into this category of financial instruments.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Organisation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Organisation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Organisation may also consider a financial asset to be in default when internal or external information indicates that the Organisation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Organisation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Organisation's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Organisation's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Organisation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

Accounting policies applicable to comparative period (30 June 2018)

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised where the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit or Loss (FVTPL)
- Held-To-Maturity (HTM) investments

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

Classification and subsequent measurement of financial liabilities

The Organisation's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(j) Income tax

The RCSA had been granted "Charity" status by the Australian Taxation Office. No provision for income tax has been raised as the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

Other long-term employee benefits

The Organisation's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re- measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Organisation presents employee benefit obligations as current liabilities in the statement of financial position if the Organisation does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(m) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(o) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Key estimates

Provision for impairment of receivables

No provision for impairment of receivables recognised in the statement of financial position as at balance sheet date.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(p) Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after 1 January 2018

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement.

It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of this standard has not had a material impact on the Organisation.

Interpretation 22 Foreign currency transactions and advance consideration

The adoption of this interpretation has not had a material impact on the Organisation.

Accounting Standards issued but not yet effective and not adopted early by the Organisation

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective and have not been adopted by the Organisation for the annual reporting period ending 30 June 2019, outlined in the table on the following page:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 *Revenue from Contracts with Customers*	**1 January 2019**	**30 June 2020**

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

AASB 1058 *Income of Not-for-Profit entities*	**1 January 2019**	**30 June 2020**

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 16 *Leases*	**1 January 2019**	**30 June 2020**

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:

- there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet
- the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities
- net surplus/deficit in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

AASB 2018-8 *Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profits entities*	**1 January 2019**	**30 June 2020**

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

	Note	30 June 2019 $	30 June 2018 $
NOTE 2: REVENUE			
The organisation's revenue may be analysed as follows for each major product and service category:			
Revenue			
- membership subscriptions		1,783,971	1,595,620
- learning and development		407,939	263,398
- events and functions		362,155	412,492
- conferences		448,663	260,337
- sponsors and commissions		1,752,863	1,465,329
- marketing and publications		1,540	1,015
- member contributions and grants for special membership projects		212,723	4,607
		4,969,854	**4,002,798**
Other Revenue			
- interest, dividends, distributions and gains on investments		82,839	52,771
- other revenue - other persons		950	2,884
		83,789	55,655
Total revenue		**5,053,643**	**4,058,453**
NOTE 3: CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of the following:			
Cash on hand		500	500
Cash at bank		784,068	624,511
Short term deposits		950,000	700,000
	3(a)	**1,734,568**	**1,325,011**
(a) Reconciliation of cash			
Cash at the end of the year as shown in the statement of cash flows is reconciled in the statement of financial position as follows:			
Cash and cash equivalents		**1,734,568**	**1,325,011**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30 June 2019 $	30 June 2018 $
NOTE 4: TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	59,523	73,072
Other receivables	38,465	107,817
	97,988	**180,889**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the RCSA's trade and other receivables have been reviewed for indicators of impairment, and no indicators have been identified.

NOTE 5: OTHER ASSETS

Current		
Prepayments	207,623	281,892
Security deposits	60,000	71,921
	267,623	**353,813**
Non-current		
Security deposit	82,563	-
	82,563	-

NOTE 6: FINANCIAL ASSETS

Financial assets at fair value through profit or loss $1,285,396 (2018: $825,794) includes managed funds which are managed by third parties on behalf of the Organisation as well as other investors. The managed funds hold a variety of investments which generate a return based on income from those investments and changes in the market value of the investments. The RCSA's investments in managed funds can be redeemed on an at-call basis at the market value of the investment at the date of redemption less certain fees and charges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 7: PLANT AND EQUIPMENT

Details of plant and equipment and their carrying value are as follows:

	Furniture & fittings $	Computer equipment & software $	Total $
Cost			
Balance 1 July 2018	**105,375**	**161,372**	**266,747**
Exchange rate adj. in opening balance	-	33	33
Additions	30,219	26,522	56,741
Disposals	(101,496)	(17,227)	(118,723)
Balance 30 June 2019	**34,098**	**170,700**	**204,798**
Depreciation and impairment			
Balance 1 July 2018	**(102,061)**	**(66,755)**	**(168,816)**
Exchange rate adj. in opening balance	-	(21)	(21)
Disposals	99,220	16,634	115,854
Depreciation	(4,650)	(51,383)	(56,033)
Balance 30 June 2019	**(7,491)**	**(101,525)**	**(109,016)**
Carrying amount at 30 June 2019	*26,607*	*69,175*	*95,782*
Cost			
Balance 1 July 2017	**108,789**	**174,277**	**283,066**
Exchange rate adj. in opening balance	-	(30)	(30)
Additions	-	29,021	29,021
Disposals	(3,414)	(41,896)	(45,310)
Balance 30 June 2018	**105,375**	**161,372**	**266,747**
Depreciation and impairment			
Balance 1 July 2017	**(90,907)**	**(58,926)**	**(149,833)**
Exchange rate adj. in opening balance	-	5	5
Disposals	3,414	40,030	43,444
Depreciation	(14,568)	(47,864)	(62,432)
Balance 30 June 2018	**(102,061)**	**(66,755)**	**(168,816)**
Carrying amount at 30 June 2018	*3,314*	*94,617*	*97,931*

All depreciation charges (or reversals, if any) are included within 'depreciation expense'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

	30 June 2019 $	30 June 2018 $
NOTE 8: TRADE AND OTHER PAYABLES		
Current		
Trade payables	64,935	30,188
Other creditors & accruals	331,160	277,197
	396,095	**307,385**

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation of fair value.

NOTE 9: EMPLOYEE REMUNERATION

(a) Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	30 June 2019 $	30 June 2018 $
Wages, salaries	1,643,864	1,543,413
Workers compensation insurance	6,647	7,725
Payroll tax	44,190	44,773
Superannuation	126,729	121,399
Employee benefits expenses	38,069	26,057
Other employment expenses	51,639	43,884
	1,911,138	**1,787,251**

(b) Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	30 June 2019 $	30 June 2018 $
Current		
Annual leave	83,011	55,686
Long service leave	-	-
	83,011	**55,686**
Non-Current		
Long service leave	26,821	15,945
	26,821	**15,945**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 10: DEFERRED INCOME

	Note	30 June 2019 $	30 June 2018 $
Current			
Conference income received in advance		498,859	463,748
Subscriptions received in advance		760,102	756,204
Sponsorship income received in advance		422,361	404,241
Other income received in advance	10(a)	195,040	65,590
		1,876,362	**1,689,783**

(a) Includes an amount in relation to special membership projects that will continue into the next financial year.

NOTE 11: AUDITOR'S REMUNERATION

	30 June 2019 $	30 June 2018 $
Remuneration of the auditors of the company for:		
- auditing or reviewing the financial report	19,500	19,100
	19,500	**19,100**

NOTE 12: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	30 June 2019 $	30 June 2018 $
Cash flow from operating activities		
Net surplus / (deficit) for the period	474,020	(35,656)
Non cash items in operating surplus / (deficit):		
Depreciation	56,033	62,432
Net foreign exchange gain	(12,573)	(171)
Loss on disposal of assets	1,620	1,866
Unrealised gain on FVPL assets	(40,734)	(13,910)
Changes in working capital		
Change in receivables and other assets	67,107	(223,496)
Change in trade, other payables and deferred income	275,289	653,732
Change in provisions	38,201	25,968
Net cash flow from / (used in) operating activities	**858,963**	**470,765**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

	Note	30 June 2019 $	30 June 2018 $

NOTE 13: RELATED PARTY TRANSACTIONS

Key management personnel related entities

The Organisation's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate specialterms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with related parties

The following fees were charged to the Organisation by entities related to the directors of the Board:

	Note	30 June 2019 $	30 June 2018 $
Consultants fees charged from:			
DFP Recruitment Services Pty Ltd		-	18,991
Horner Recruitment		-	30,067
Beaumont Consulting		51,877	5,754
		51,877	**54,812**

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with key management personnel compensation

The key management personnel compensation included in 'salaries and employee benefits expenses' are as follows:

	Note	30 June 2019 $	30 June 2018 $
Short-term employee benefits		330,000	315,000
Long-term benefits		20,531	20,048
Total remuneration		**350,531**	**335,048**

NOTE 14: CONTINGENCIES

	Note	30 June 2019 $	30 June 2018 $
The Organisation has provided an indemnity guarantee in respect of a bank guarantee in favour of the property owner on the Organisation's leased premises	14(a)	142,563	60,000

(a) This amount includes a bank guarantee of $60,000 in favour of the property owner of the Organisation's former leased premises that has not yet been released by the bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 15: LEASES

	30 June 2019 $	30 June 2018 $
Operating leases as lessee		
The Organisation's future minimum operating lease payments are as follows:		
Minimum lease payments due:		
- within one year	108,597	5,280
- later than one year and not later than five years	432,921	3,960
Total	**541,518**	**9,240**

Lease expense during the period amounted to $157,277 (2018:$112,821) representing the minimum lease payments.

The property lease commitment is a non-cancellable operating lease with a lease term of 5 years. The lease has rental costs of approximately $114,400 per year plus outgoings, with an annual rent increase of 3.75%, and 4% per year on any lease extension.

NOTE 16: FINANCIAL RISK MANAGEMENT

The Organisation's financial instruments consist mainly of deposits with banks, local money market instruments, long-term investments, accounts receivable and payables, and leases.

The Organisation's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Organisation's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Organisation does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are shown throughout the financial report.

Refer to Note 17 for detailed disclosures regarding the fair value measurement of the company's financial assets and liabilities.

NOTE 17: FAIR VALUE MEASUREMENT

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted

Level 3: unobservable inputs for the asset or liability

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 17: FAIR VALUE MEASUREMENT (CONTINUED)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2019 and 30 June 2018:

	Notes	Level 1	Total
30 June 2019		$	$
Assets			
IInvestment in managed funds	17(i)	1,285,396	1,285,396
Net fair value		1,285,396	1,285,396
30 June 2018			
Assets			
Investment in managed funds	17(i)	825,794	825,794
Net fair value		825,794	825,794

(i) For investments in managed funds, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

NOTE 18: CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Management controls the capital of the Organisation to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Board and management ensure that the overall risk management strategy is in line with this objective.

The Organisation's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Organisation's capital by assessing the Organisation's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control capital of the Organisation since the previous year.

NOTE 19: POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

NOTE 20: MEMBERS' GUARANTEE

The RCSA is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $50 each towards meeting any outstanding obligations of the Organisation. At 30 June 2019 the total amount that members of the Company are liable to contribute if the Company is wound up is $73,300 (2018: $78,500).

NOTE 21: ORGANISATION DETAILS

The registered office and principal place of business of RCSA is:

Level 9
500 Collins Street
Melbourne, Victoria 3000

Director's Declaration

In the opinion of the directors of Recruitment, Consulting and Staffing Association Limited:

a. The consolidated financial statements and notes of The Recruitment, Consulting and Staffing Association Ltd are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012, including*:

   (a) giving a true and fair view of its financial position at 30 June 2019 and of its performance for the year ended on that date; and

   (b) Complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and

b. There are reasonable grounds to believe that The Recruitment, Consulting and Staffing Association Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors

Sinead Hourigan FRCSA
Director

Nina Mapson Bone FRCSA
Director

Dated this 4th day of September 2019
Melbourne, Victoria

Hourigan Partners

Independent Auditor's Report

To the Members
The Recruitment, Consulting & Staffing Association Limited ACN 078 606 416
Report on the Audit of the Financial Report
Opinion

We have audited the financial report of The Recruitment , Consulting & Staffing Association Limited, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes to the financial statements , including a summary of significant accounting policies, and the Directors' declaration .

In our opinion the financial report of The Recruitment , Consulting & Staffing Association Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year then ended ; and
(b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report sec tion of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia . We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Financial Report

The Directors of the company, The Recruitment , Consulting & Staffing Association Limited, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards-Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing , as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquida te the company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the company's financial reporting process .

Auditor 's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists . Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate , they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Director: Simon Hourigan CA, F Fin
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Hourigan Partners

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Simon Hourigan
Director

Hourigan Partners Audit Pty Ltd
ACN 149 707 960

Melbourne

4 September 2019

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