

# 2018 Annual Report



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2017/2018 RCSA ANNUAL REPORT

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# President's Report

Twelve months ago I was given the opportunity to step into the role of President of the RCSA and it has been an incredible journey so far. I have been surrounded by an inspiring collection of Board members as well as an incredible team at RCSA who all have worked together to create a sustainable association to support the needs of our members now and into the future.

When I was appointed last year, I set three key goals for my first 12 months. These were:

1. Increase engagement with RCSA's regional members to ensure they have a stronger voice
2. Develop strategies to harness and retain promising young talent within the sector
3. Continue to enhance the profile and professionalism across the industry.

I feel confident that we have done much in the last 12 months to improve our engagement across the regions and the team at RCSA are to thank for that. I have rarely met a team who are so committed, capable and conscious of the role they play in improving the professional lives of our members.

Although it can be difficult to assess engagement from a metrics perspective, at a time when many industry associations are suffering from declining membership, we have achieved net growth in corporate membership of just under 10% and that is a direct reflection of the efforts of Charles Cameron as CEO and the team as a whole.

Professional development is something that I have always been passionate about and I'm a firm believer in lifelong learning so developing strategies to harness and retain our young talent is critical to the sustainability of our sector for the long-term.

This year, we have seen a few exciting initiatives rolled out from RCSA with great success.

The Professional Development day which was hosted in advance of both the Australian and New Zealand awards nights was extremely well received and is a testament to the commitment of the team to developing new ways of engaging with our future leaders and giving them opportunities to extend their skills in a meaningful way.

And I really can't talk about professional development without mentioning the conference in Noosa earlier this year. The feedback from attendees was exceptional and we are already planning for an even bigger and better event on the Gold Coast in October 2019.

We have demonstrated a consistent approach to lobbying government at all levels on a broad range of issues from the changes to the visa regulations through to labour hire licensing and the recent issues surrounding the very definition of 'casual employment'. Our commitment to enhancing the profile and professionalism of our industry is constant and it will continue.

We are front and centre for every issue impacting our industry and ensuring that our valued members have a voice and it is heard loud and clear.

As I reflect back on the past 12 months, there is much to be thankful for and much more to be positive about for the future of our industry.

As is always the case in our sector, we have faced and continue to face challenges on many fronts but in the words of the German philosopher, Friedrich Nietzsche "that which does not kill us, makes us stronger."

As an industry, we are becoming ever more aware of the need for us to work together in a more collaborative manner, to share our greatest ideas and solve each others' problems to ensure success for the industry as a whole.

We are, as with all things, better when we work together, better when we build each other up rather than knock each other down and better when we celebrate together our successes as a whole.

Thank you all for your commitment to the RCSA and I look forward to working with and for you in the year ahead.

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**Sinead Hourigan** FRCSA  
President

# CEO's Report

RCSA has continued down the pathway of member empowerment. I am proud to lead you and your firms, who contribute to the growth and success of individuals, communities and the economies of Australia and New Zealand.

As the Australian and New Zealand labour markets become more complex and diverse it is essential that we, as your peak body, make it simpler for individuals, businesses and government to choose and support the professionals.

This has required us, at RCSA to be smarter and more focused, and with the support of our President Sinead Hourigan and the Board I feel the value of membership for members, candidates, workers and clients is far more apparent.

Every time I hear you, as a member, confirm that we are doing good things, and heading in the right direction, you empower me and my team to serve you better and with even greater vigour.

RCSA is the members' association and my staff and I are proud to be your custodians and to promote your value strongly and passionately because, when you perform your profession well, you truly lead in the world of work.

The past 12 months have seen consolidation of the RCSA following the prior year's restructure. Our staff have worked with great focus to ensure the achievement of a balanced financial result after the prior year's investment in transitioning RCSA to become future fit and member-centric. The entire staff have worked extremely hard to ensure we are more relevant, louder and more engaged. The support of you, as members, has been very encouraging and your belief in our service and representation has been empowering. I would like to say a big thank you to the RCSA Board, Councils and Member Groups who have been great ambassadors for our strategic direction and our renewed offering.

Across each of the four channels of member value I feel we have achieved so much. I would like to mention some key outcomes that reflect our achievement over the past year.

- > The promotion of RCSA's purpose through our enlivened social media presence.
- > The succinct and highly relevant member communications via The Brief, both as a monthly digital publication and a magazine.

- > Our lobbying and advocacy in response to heavily funded political campaigns.
- > Our invitation to sit on multiple State and federal Government forums and bodies ranging from the Black Economy Advisory Board to the Collaborative Partnership on Mature Age Work.
- > Our leading role in challenging the Triangular Employment Bill in New Zealand.
- > The growth of StaffSure to prove and promote our members' business integrity and drive supply chain leadership.
- > The transformation of our learning and development service and the amazing array of current and highly relevant courses and online workshops.
- > Record attendance at the Awards Night in Melbourne.
- > Record numbers of nominations for our Awards, which demonstrates the renewed pride in who we are and how we deliver value.
- > A sold out RCSA Conference in Noosa with exceptional feedback and Net Promoter Scores.
- > Our representation on an international level at the World Employment Confederation Conference and my election as the Chair of the Federations Committee, which sees RCSA leading all associations of recruitment and staffing across the globe.
- > Dozens of Leaders Lunches held across both countries, from Tauranga in New Zealand to Townsville in Australia and everywhere in between to ensure that we are listening and allowing our members to provide direct input in to our representations.
- > The streamlining of our Code for Professional Conduct and Disciplinary and Dispute Resolution Procedures.
- > Record numbers of participants in our PEARL mentoring program for aspiring leaders

Of course, I could list dozens of other equally important achievements however; none of this matters if it is not validated by your engagement and belief. With this in mind I felt so very grateful that you renewed your membership in record numbers this year, and feel empowered by our work.

The RCSA team and I are ready to take your association to the next level over the coming 12 months and we look forward to engaging with you and giving each of you the opportunity to be out front wherever possible. The coming year will require even greater pride and purpose and I look forward to serving you, as true leaders in the world of work

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**Charles Cameron**  
CEO

# Partners

RCSA would like to thank its 2017/2018 Supporters without which many programs, events and activities would not be possible.



# Our Purpose

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To lead in the world of work.

## OUR STRATEGIC PRIORITIES

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### 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

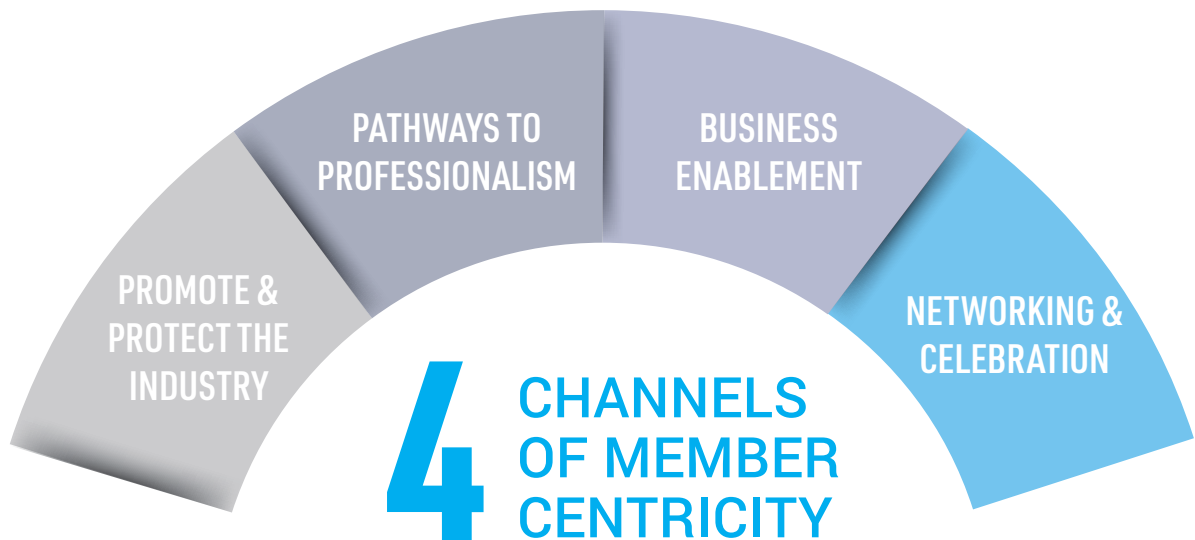
We will generate a surplus, both overall and individually, within functional areas. Growth and diversification of revenue across members, partners and through alternative opportunities

# 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



PRESIDENT

**Sinead Hourigan**  
FRCSA

**Qualifications:**

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

**Experience:**

16 years in recruitment  
industry

**Special Responsibilities:**

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



VICE PRESIDENT

**Nina Mapson Bone**  
FRCSA

**Qualifications:**

MA (Hons)

**Experience:**

17 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



VICE PRESIDENT

**Peter Langford**  
FRCSA

**Qualifications:**

33 years in industry

**Special Responsibilities:**

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



FINANCE DIRECTOR

**Steve Heather**  
FRCSA

**Qualifications:**

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

**Experience:**

18 years mining industry  
experience, 22 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.





**Andrew Sullivan**  
FRCSA

**Qualifications:**

Bachelor of Arts  
(Communications)

**Experience:**

14 years recruitment and  
executive search experience

**Special Responsibilities:**

Director, Member  
of Remuneration &  
Nominations Committee



**Alan Bell**  
FRCSA

**Experience:**

15 years plus in recruitment  
industry

**Special Responsibilities:**

Director representing  
Member Groups ANRA and  
AMRANZ



**Penelope O'Reilly**  
MRCSA

**Qualifications:**

Bachelor of Business

**Experience:**

20 years in recruitment, 26  
years in leadership roles

**Special Responsibilities:**

Director, Member  
of Remuneration &  
Nominations Committee,  
Member of Membership  
Committee



**Nicolas Fairbank**  
MRCSA

**Qualifications:**

AMP - INSEAD FRANCE,  
MAICD

**Experience:**

20 years in recruitment  
industry

**Special Responsibilities:**

Director, Member of  
Partnerships Committee



**Sally Mlikota**  
MRCSA

**Qualifications:**

Bachelor (Hons) Geography  
& Economics

**Experience:**

29 years in recruitment  
industry

**Special Responsibilities:**

Director, appointed 24  
November 2017, Member of  
Membership Committee



**Ian McPherson**  
FRCSA

**Experience:**

25 years in recruitment  
industry

**Special Responsibilities:**

Director, Member of  
Executive Committee,  
Member of Audit & Risk  
Committee, Member of  
Partnerships Committee



**Matthew Sampson**  
MRCSA

**Qualifications:**

Bachelor of Commerce

**Experience:**

12 years in recruitment

**Special Responsibilities:**

Director, Member of Audit  
& Risk Committee



**Robert van Stokrom**  
FRCSA

**Qualifications:**

Dip. Business, Grad Dip  
Logistics

**Experience:**

29 years pharmaceutical,  
18 years recruitment

**Special Responsibilities:**

Former RCSA President,  
Former Chair of Executive  
Committee

**Term ended:**

24 November 2017



# Financial Report for the year ended 30 June 2018

# Directors' Report

Your directors present this report on the The Recruitment, Consulting & Staffing Association ("RCSA") for the year ended 30 June 2018.

## 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**

**N Fairbank MRCSA**

**S Mlikota MRCSA (appointed 24 November 2017)**

**P Langford FRCSA**

**S Heather FRCSA**

**A Bell FRCSA**

**I McPherson FRCSA**

**M Sampson MRCSA**

**R van Stokrom FRCSA (Term ended 24 November 2017)**

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 loss of the RCSA after providing for income tax amounted to \$35,656 (2017: loss of \$394,217).

## 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 2018.

During the year ended 30 June 2018 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 CEO, President and General Manager – Operations & Member Services and remained 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

- Return RCSA to profit in the 2018-19 financial year and contribute to the surplus;
- 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 associated certification program.

### 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 2018 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; and

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

### AFTER BALANCE DATE EVENTS

In September 2018, RCSA signed a new five-year lease for 220 square metres of office space at 500 Collins Street commencing in October 2018, with an option to extend the lease by 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.

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.

## 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	5	5	9	9	-	-	-	-	-	-	2	1
P Langford	5	5	9	7	-	-	3	3	-	-	-	-
S Heather	5	5	9	7	4	4	-	-	-	-	-	-
A Bell	5	2	-	-	-	-	-	-	-	-	-	-
I McPherson	5	4	9	6	4	4	-	-	-	-	2	2
N Mapson Bone	5	5	6	5	-	-	3	3	2	2	-	-
P O'Reilly	5	5	-	-	-	-	3	3	2	2	-	-
A Sullivan	5	5	-	-	-	-	3	2	-	-	-	-
N Fairbank	5	3	-	-	-	-	-	-	-	-	2	2
M Sampson	5	5	-	-	4	4	-	-	-	-	-	-
S Mlikota	3	3	-	-	-	-	-	-	2	2	-	-
R van Stokrom	3	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 of a State or Territory.

## 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 2018 the total amount that members of the entity are liable to contribute if the entity is wound up is \$78,500 (2017: \$84,950).

## 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 14 of this financial report and forms part of the Directors' Report.

## PROCEEDINGS ON BEHALF OF THE RECRUITMENT, CONSULTING &amp; STAFFING ASSOCIATION 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



**Peter Langford**  
Director

Dated this 4th day of September 2018  
Noosa, Queensland

## Hourigan Partners

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### 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 2018.

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 2018

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 2018

	Notes	30 June 2018 \$	30 June 2017 \$
Revenue	2	4,058,454	3,706,347
Salaries and employee benefits expense	9(a)	(1,787,251)	(1,690,924)
Membership services and representation expenses		(444,430)	(390,460)
Learning and development expenses		(243,276)	(310,059)
Event and functions expenses		(478,144)	(517,220)
Conference expenses		(357,078)	(388,961)
Marketing and publications expenses		(182,538)	(137,973)
Depreciation expense	7	(62,432)	(38,783)
Computer expenses		(117,524)	(99,831)
Office and administration expenses		(227,055)	(298,826)
Occupancy expenses		(194,382)	(227,527)
<b>Surplus / (deficit) before income tax expense</b>		(35,656)	(394,217)
Income tax expense		-	-
<b>Surplus / (deficit) for the year</b>		<b>(35,656)</b>	<b>(394,217)</b>
Other comprehensive income for the year, net of income tax		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>(35,656)</b>	<b>(394,217)</b>

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2018

	Notes	30 June 2018 \$	30 June 2017 \$
<b>Current assets</b>			
Cash and cash equivalents	3	1,385,011	946,429
Trade and other receivables	4	180,889	129,852
Other assets	5	293,813	142,154
Financial assets	6	825,794	791,084
<b>Total current assets</b>		<b>2,685,507</b>	<b>2,009,519</b>
<b>Non-current asset</b>			
Plant and equipment	7	97,931	133,233
<b>Total non-current asset</b>		<b>97,931</b>	<b>133,233</b>
<b>Total assets</b>		<b>2,783,438</b>	<b>2,142,752</b>
<b>Current liabilities</b>			
Trade and other payables	8	307,385	362,430
Employee benefits	9	55,686	33,655
Deferred income	10	1,689,783	981,006
<b>Total current liabilities</b>		<b>2,052,854</b>	<b>1,377,091</b>
<b>Non-current liability</b>			
Employee benefits	9	15,945	12,008
<b>Total non-current liability</b>		<b>15,945</b>	<b>12,008</b>
<b>Total liabilities</b>		<b>2,068,799</b>	<b>1,389,099</b>
<b>Net assets</b>		<b>714,639</b>	<b>753,653</b>
<b>Members' Funds</b>			
Retained profits		719,510	755,166
Foreign currency translation reserve		(4,871)	(1,513)
<b>Total Members' Funds</b>		<b>714,639</b>	<b>753,653</b>

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

For the year ended 30 June 2018

	Retained profits \$	Foreign currency translation reserve \$	Total Members' Funds \$
Total members funds at 1 July 2016	1,149,383	(1,523)	1,147,860
Total comprehensive loss for the year	(394,217)	-	(394,217)
Foreign currency translation	-	10	10
Total equity at 30 June 2017	755,166	(1,513)	753,653
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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Notes	30 June 2018 \$	30 June 2017 \$
<b>Cash flow from operating activities</b>			
Receipts from membership subscriptions, events and workshops		5,134,029	4,419,340
Payment to suppliers and employees		(4,671,939)	(4,437,986)
Interest, dividends and distributions received		8,675	10,440
<b>Net cash provided by (used in) operating activities</b>	12	470,765	(8,206)
<b>Cash flow from investing activities</b>			
Purchase of plant and equipment		(29,021)	(117,039)
Proceeds from disposals of plant and equipment		-	500
Proceeds from disposal of financial assets		-	100,000
<b>Net cash used in investing activities</b>		(29,021)	(16,539)
<b>Net increase in cash held</b>		441,744	(24,745)
Cash and cash equivalents at beginning of the financial year		946,429	971,231
Exchange difference on cash and cash equivalents		(3,162)	(57)
Cash and cash equivalents at the end of the financial year	3	1,385,011	946,429

The accompanying notes form part of these financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 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 2018 were approved and authorised for issue by the directors on 4 September 2018.

#### 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 its NZ branch as of 30 June 2018. 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, excluding sales taxes, rebates, and trade discounts.

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. Where the period of service delivery extends beyond year end, a share of the revenue is recognised as deferred income.

##### 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 2018

### (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:** 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*

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

### **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. This was granted on the basis of its status as an educational institution. This status is effective from July 1, 2005.

This status entitles the RCSA to Income Tax Exemption under Subdivision 50-B of the Income Tax Assessment Act 1997. GST Concessions under Division 176 of the New Tax System (Goods and Services Tax) Act 1999 and FBT rebate under section 123E of the Fringe Benefits Tax Assessment Act 1986.

### **(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.

#### **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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

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.

### (p) Changes in accounting policies

#### ***New and revised standards that are effective for annual periods beginning on or after 1 January 2017***

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. Information on the more significant standard is presented below.

#### **AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities**

This Standard amends AASB 136 Impairment of Assets to:

- remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and
- clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that:
  - AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets; and
  - AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138.

AASB 2016-4 is applicable to annual reporting periods beginning on or after 1 January 2017.

The adoption of this standards 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 2018, outlined in the follow table:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<b>AASB 9 Financial Instruments (December 2014)</b>	1 January 2018	30 June 2019
When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.		
<b>AASB 15 Revenue from Contracts with Customers</b>	1 January 2018	30 June 2019
When this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.		
<b>Interpretation 22 Foreign currency transactions and advance consideration</b>	1 January 2018	30 June 2019
When this interpretation is adopted for the year ending 30 June 2019, there will be no material impact on the financial statements.		
<b>AASB 1058 Income of Not-for-Profit entities</b>	1 January 2019	30 June 2020
When this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.		
<b>AASB 16 Leases</b>	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:		
<ul style="list-style-type: none"> <li>• there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet</li> <li>• the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities</li> <li>• 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</li> <li>• 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.</li> </ul>		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Notes	30 June 2018 \$	30 June 2017 \$
<b>NOTE 2: REVENUE</b>			
The organisation's revenue may be analysed as follows for each major product and service category:			
<b>Revenue</b>			
- membership subscriptions		1,595,620	1,398,372
- learning and development		237,905	290,747
- events and functions		568,834	546,278
- conferences		451,206	570,854
- general sponsors and commissions		1,143,612	751,706
- marketing and publications		1,015	23,677
- member contributions and grants for special membership projects		4,607	69,846
		<b>4,002,799</b>	<b>3,651,480</b>
<b>Revenue from non operating activities</b>			
- interest, dividends, distributions and gains on investments		52,771	44,629
- other revenue - other persons		2,884	10,238
		<b>55,655</b>	<b>54,867</b>
<b>Total revenue</b>		<b>4,058,454</b>	<b>3,706,347</b>
<b>NOTE 3: CASH AND CASH EQUIVALENTS</b>			
<b>Cash and cash equivalents consist of the following:</b>			
Cash on hand		500	469
Cash at bank		624,511	885,959
Cash on deposit - other		760,000	60,001
	<b>3(a)</b>	<b>1,385,011</b>	<b>946,429</b>
<b>(a) Reconciliation of cash</b>			
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		1,385,011	946,429

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

	Notes	30 June 2018 \$	30 June 2017 \$
<b>NOTE 4: TRADE AND OTHER RECEIVABLES</b>			
<i>Current</i>			
Trade receivables		73,072	115,546
Other receivables		107,817	14,306
		<b>180,889</b>	<b>129,852</b>

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

*Other assets consist of the following:*

Prepayments		281,892	142,154
Other assets		11,921	-
		<b>293,813</b>	<b>142,154</b>

## NOTE 6: FINANCIAL ASSETS

*Current*

Financial assets at fair value through profit and loss	6(a)	825,794	791,084
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- (a) Financial assets at fair value through profit or loss 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 2018

### NOTE 7: PLANT AND EQUIPMENT

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

	<b>Furniture &amp; fittings</b>	<b>Computer equipment &amp; software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>			
<b>Balance 1 July 2017</b>	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)
<b>Balance 30 June 2018</b>	<b>105,375</b>	<b>161,372</b>	<b>266,747</b>
<b>Depreciation and impairment</b>			
<b>Balance 1 July 2017</b>	<b>(90,907)</b>	<b>(58,926)</b>	<b>(149,833)</b>
Exchange rate adj. in opening balance	-	5	5
Disposals	3,414	40,030	43,444
Depreciation	(14,568)	(47,864)	(62,432)
<b>Balance 30 June 2018</b>	<b>(102,061)</b>	<b>(66,755)</b>	<b>(168,816)</b>
<b>Carrying amount at 30 June 2018</b>	<b>3,314</b>	<b>94,617</b>	<b>97,931</b>
<b>Cost</b>			
<b>Balance 1 July 2016</b>	<b>122,685</b>	<b>278,549</b>	<b>401,234</b>
Additions	1,625	115,415	117,040
Disposals	(15,521)	(219,688)	(235,209)
<b>Balance 30 June 2017</b>	<b>108,789</b>	<b>174,276</b>	<b>283,065</b>
<b>Depreciation and impairment</b>			
<b>Balance 1 July 2016</b>	<b>(92,117)</b>	<b>(242,859)</b>	<b>(334,976)</b>
Disposals	15,521	208,406	223,927
Depreciation	(14,311)	(24,472)	(38,783)
<b>Balance 30 June 2017</b>	<b>(90,907)</b>	<b>(58,925)</b>	<b>(149,832)</b>
<b>Carrying amount at 30 June 2017</b>	<b>17,882</b>	<b>115,351</b>	<b>133,233</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

### NOTE 8: TRADE AND OTHER PAYABLES

#### *Current*

	30 June 2018 \$	30 June 2017 \$
Trade payables	30,188	162,617
Other creditors & accruals	277,197	199,813
	<b>307,385</b>	<b>362,430</b>

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:

Wages, salaries	1,543,413	1,613,279
Workers compensation insurance	7,725	6,515
Payroll tax	44,773	36,615
Superannuation	121,399	95,058
Employee benefits expenses	26,057	(98,798)
Other employment expenses	43,884	38,255
	<b>1,787,251</b>	<b>1,690,924</b>

#### **(b) Employee benefits**

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

##### *Current*

Annual leave	55,686	33,655
Long service leave	-	-
	<b>55,686</b>	<b>33,655</b>

##### *Non-Current*

Long service leave	15,945	12,008
	<b>15,945</b>	<b>12,008</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

	30 June 2018 \$	30 June 2017 \$
<b>NOTE 10: DEFERRED INCOME</b>		
<i>Current</i>		
Conference income received in advance	463,748	123,150
Subscriptions received in advance	756,204	487,856
Sponsorship income received in advance	404,241	334,875
Other income received in advance	65,590	35,125
	<b>1,689,783</b>	<b>981,006</b>
<b>NOTE 11: AUDITOR'S REMUNERATION</b>		
Remuneration of the auditors of the company for:		
- auditing or reviewing the financial report	19,100	18,540
- taxation services	-	-
	<b>19,100</b>	<b>18,540</b>
<b>NOTE 12: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash flow from operating activities</b>		
Net surplus / (deficit) for the period	(35,656)	(394,217)
<i>Non cash items in operating surplus / (deficit):</i>		
Depreciation	62,432	38,783
Net foreign exchange gain	(171)	67
Loss on disposal of assets	1,866	10,782
Unrealised gain on FVTPL assets	(13,910)	(5,683)
<i>Changes in working capital</i>		
(Increase)/decrease in receivables	(223,496)	208,393
Increase/(decrease) in trade and other payables	653,732	232,444
Increase/(decrease) in provisions	25,968	(98,775)
<b>Net cash flow from / (used in) operating activities</b>	<b>470,765</b>	<b>(8,206)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 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 special terms 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:

##### *Consultants fees charged from:*

	30 June 2018 \$	30 June 2017 \$
DFP Recruitment Services Pty Ltd	18,991	147,909
Horner Recruitment	30,067	24,469
Beaumont Consulting	5,754	1,666
Kelly Services	-	5,000
Hilltop Consulting	-	135,300
	<b>54,812</b>	<b>314,344</b>

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:

Short-term employee benefits	315,000	317,693
Long-term benefits	20,048	19,867
<b>Total remuneration</b>	<b>335,048</b>	<b>337,560</b>

### NOTE 14: CONTINGENCIES

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

60,000	60,000
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

	30 June 2018	30 June 2017
	\$	\$
<b>NOTE 15: LEASES</b>		
<b>Operating leases as lessee</b>		
The Organisation's future minimum operating lease payments are as follows:		
Minimum lease payments due:		
- within one year	5,280	119,168
- later than one year and not later than five years	3,960	9,240
<b>Total</b>	<b>9,240</b>	<b>128,408</b>

Lease expense during the period amounted to \$112,821 (2017:\$139,101) representing the minimum lease payments.

The property lease commitment ran for a period of 5 years ending on 30 June 2018, and from that date is running on a month-to-month arrangement with the landlord until new premises are finalised.

## 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 139 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 financial 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 2018

### 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 2018 and 30 June 2017:

	Notes	Level 1 \$	Total \$
<b>30 June 2018</b>			
<b>Assets</b>			
Investment in managed funds	17(i)	825,794	825,794
Net fair value		825,794	825,794
<b>30 June 2017</b>			
<b>Assets</b>			
Investment in managed funds	17(i)	791,084	791,084
Net fair value		791,084	791,084

(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

In September 2018, RCSA signed a new five-year lease for 220 square metres of office space at 500 Collins Street commencing in October 2018, with an option to extend the lease by 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.

No other 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 2018 the total amount that members of the Company are liable to contribute if the Company is wound up is \$78,500 (2017: \$84,950).

### NOTE 21: ORGANISATION DETAILS

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

Level 3  
63 Exhibition 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 2018 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



**Peter Langford**  
Director

Dated this 4th day of September 2018  
Noosa, Queensland

## Hourigan Partners

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### 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 2018, 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 Director's 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 2018 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* section 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 Director's either intends to liquidate 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.



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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 Director's 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

Melbourne  
4 September 2018



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