LEADING IN THE WORLD OF WORK

2020 ANNUAL REPORT

Contents

2019/2020 RCSA ANNUAL REPORT

President's Report

In late February 2020, RCSA's executive team and board met for a two-day strategy session with the key goal of ensuring our association was well positioned to continue to act and be of service for our members, leading in the world of work.

What came out of this session was an evolution of our existing strategy, confirmation that we were on the right path and, unbeknownst to us at the time, a plan to take on the debilitating pandemic ahead.

Almost a week after this strategy session, the world started to come to a complete stand still as COVID-19 forced our communities to go into lockdown and caused significant changes to the workplace as we knew it.

As this began, RCSA moved quickly to meet, strategise for worse case scenarios and map out how we could fundamentally support our members and partners during this trying time.

I'm proud to say that the strategy we had only just agreed upon provided a valuable, strong and sound roadmap for moving forward. Many of the key items outlined at that session in February were perfect for our COVID response. In fact, COVID just made us move faster in delivering them.

> This all comes back to our willingness to adapt. It's this quick ability to adapt which has come up time and time again when reflecting on 2020.

This year put a spotlight on the true value of what we do, day-in and day-out, and the power of collaboration. From day one, our sector was right in the thick of it, helping companies resource frontline services and working with government bodies as part of their response to helping displaced job seekers transition into other workplaces. This is very evident in RCSA's incredible Working Sooner campaign, which passionately showcases the great role our sector has played during COVID and will play going forward.

In New Zealand, we saw incredible community engagement as evidenced in the support of local events, collaborations to help each other and strong attendance of our two virtual events. Likewise, while in full lockdown, it was our New Zealand members who were among the first to sign up for our Learning & Development material.

> It's always prudent to ensure you walk that fine line between seizing opportunities, while weighing up risk, and I believe we struck a great balance.

I also want to take this opportunity to congratulate the RCSA team who all adapted to ensure that our industry body was right there beside our members and partners during this difficult time. From the quick development and distribution of topical resources to connecting with relevant stakeholders, including government bodies and key partners, to providing a voice and solutions for our sector, their response was outstanding and swift. Given the majority of our RCSA team is based in Melbourne, which was among the worse impacted by COVID, this speaks volumes of their resilience and passion for our sector.

From day one, their primary focus was 'how can we help our members and be of more value?" This also extends to our incredible partners who rolled up their sleeves and proactively looked at extra ways they could support our members, and their candidates and clients. They truly did live up to their name as a partner during these challenging times.

I know I'm not alone in my appreciation for their ability to adapt, as we continue to receive glowing feedback from our members on a daily basis. This also reflects in RCSA's strong membership renewal numbers. At a time when many other associations are struggling to show value for money, our members are renewing without hesitation and reaching out with unsolicited feedback of how much they value our work.

I'm proud to say the true value in our membership has never been stronger as we continue to support our members and wider community to lead in the world of work.

Nina Mapson Bone FRCSA
President

CEO's Report

We are better together!

In late 2019, RCSA began collating material for the establishment of a formal history of RCSA, but it was quickly placed on hold for good reason. History was being made before our eyes.

> If ever there has been a year where we have found strength, compassion and hope as a community of professionals, within RCSA, and been better as a result, then 2020 is it. 2019-20, what a year.

The recruitment, staffing and workforce solutions industry has always appealed to me. Yes, it is at the cutting edge of the future of work. Yes, it has the capacity to improve lives. Yes, it is critical to a well-functioning economy, but most importantly it is an industry founded upon empowering success within humans. It is the people industry. So, when we came together on the Gold Coast in late October, last year, to host recruitment and staffing leaders from over thirty nations, it was so encouraging to see that the strength and passion of our industry was universal.

Then, as we welcomed a new decade, Australia witnessed the power of a natural disaster on a scale we have never seen before. Our members in New Zealand know of this power, through earthquakes. The tragic bushfires of the summer reminded us all that we were not in control. Little did we know that the greatest test of all, in COVID-19, was to take that reality to another level. However, as is always the case in Australia and New Zealand, we stood strong as local and professional communities.

The most inspiring response of the recruitment and staffing industry, to the challenge of COVID-19, came as no surprise. We adapted, supported one another and evolved so that we could be there to lead the way forward. RCSA members did not complain, there was no self-pity and there was compassion for those that needed a helping hand. This human empathy, and capacity to adapt, should have come as no surprise as they have become the hallmarks of the modern RCSA member.

I am also very proud of what we have been able to collectively achieve, as an association, in such a tumultuous year. The World Employment Conference, which we hosted, was a great event but the growth and engagement of our membership has shone out, which was demonstrated by the most contested RCSA Council elections in recent times, last month. The level of commitment to improving RCSA and standing loud and proud for what our industry does, has been incredible.

The staff of RCSA have emulated your incredible behaviour during the 2019-20 period and, with incredible cohesion and self-belief, driven by their intense desire to promote your value to people, communities and economies, they have responded calmly and with a great understanding of what it means to be a business person under stress or a recruitment professional faced with uncertainty. The RCSA staff's commitment to the fulfilment of our 2020 strategy has been so satisfying, and I know the Board join me in their praise for what has been achieved since our three-year strategy was formed in February 2017.

With purpose, belief and structure comes ongoing commercial success.

> At RCSA, we are committed to achieving 'surplus for purpose' as a not-for-profit and the 2019-20 financial year has seen us deliver a record surplus for your association.

Yes, I feel we did the core member-centric value building work well, but for me the 'triple threat' of generating income streams, while saving the lives of our most elderly in aged care residences and creating business opportunities for members was my highlight. Combined with our partnership with the Queensland Government, to place unemployed Queenslanders in to work during the COVID-19 economic shock, these projects provide RCSA with great opportunity and demonstrate to government how very important our industry is to Australia and New Zealand.

I will never forget the 2019-20 year, for so many reasons, but above all I will remember it because of the way we came together and supported one another. We should be so very proud of what we do when we care, share and inspire the people of Australia and New Zealand.

There is much work still to be done, but we are always, and forever, Stronger Together.

Charles Cameron
CEO

Partners

RCSA would like to thank its 2019/2020 Supporters without which many programs, events and activities would not be possible.

1 OUR PURPOSE

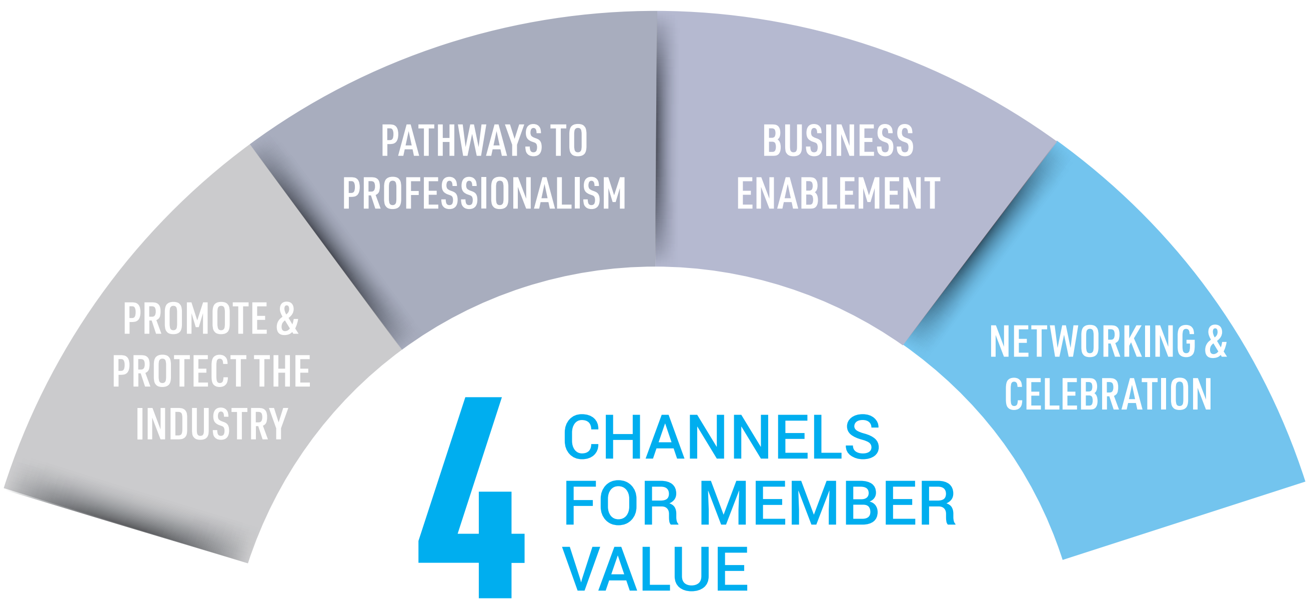
To enhance lives, organisations and the economy through the 'world of work'

2 OUR VISION

To empower the members of our communities to lead in the world of work

3 OUR VALUE PROPOSITION

RCSA is committed to positively shaping the industry and profession, in partnership with the members of our communities, by delivering value through four key channels which are essential to enabling leadership in the world of work



4 OUR STRATEGIC PRIORITIES

We will prioritise these strategic priorities to 'Build The Future', in service of delivering on our vision

LEADERSHIP AND VISION

We will be recognised by individuals, organisations, communities and government as an authority on the changing world of work

MEMBER PROMOTERS/ MEMBERS AS ADVOCATES

We will deliver value, positive experience and engagement to our members which creates proud promoters and advocates of RCSA and our industry

OPTIMISE COMMERCIALITY TODAY, FOR TOMORROW

We will review and grow ourcommercial opportunities andinvest our success in the future of the association

EXPAND COMMUNITY REACH & RELEVANCE

We will expand our reach and relevance to communities with common purpose, objectives and interests, in order to increase our influence and commercial opportunities for the benefit of members

GROW NEXTGEN PROFESSIONALS

We will create & attract educated people to a career in recruitment and staffing. We will engage, connect and develop individuals to ensure success, longevity and contribution to our profession

5 OUR STRATEGIC DNA

We will continue to sustain our efforts towards strengthening the foundations of our 'Strategic DNA'

- LEAD WITH TALENT
- MEMBER GROUP OPTIMISATION
- MEMBER CENTRIC STRATEGY
- STREAMLINED FOR SERVICE
- SURPLUS FOR PURPOSE

Board of Directors

PRESIDENT

Nina Mapson Bone FRCSA

Managing Director
Beaumont Consulting

VICE PRESIDENT

Steve Heather FRCSA

Managing Director
Mining People International

VICE PRESIDENT

Ian McPherson FRCSA

Director
Enterprise Recruitment

FINANCE DIRECTOR

Matthew Sampson MRCSA

Managing Director
Aspect Personnel

DIRECTOR

Penni Hlaca MRCSA

Director
Three Sixty Human Resources

DIRECTOR

Natasha Olsson-Seeto FRCSA

Chief Executive
OnTalent

DIRECTOR

Penny O'Reilly MRCSA

Regional General Manager
NSW & ACT
Hudson

DIRECTOR

Corrine Taylor FRCSA

Managing Director
CTBC

DIRECTOR

Jodi Walton

Director
Harrison McMillan

CEO

Charles Cameron

CEO
RCSA

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.

Financial Report for the year ended 30 June 2020

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 2020.

DIRECTORS

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

N Mapson Bone FRCSA

I McPherson FRCSA

S Heather FRCSA

P O'Reilly MRCSA

M Sampson MRCSA

S Hourigan FRCSA (resigned 29 October 2019)

A. Sullivan FRCSA (resigned 29 October 2019)

J Walton (appointed 29 October 2019)

P Hlaca MRCSA (appointed 29 October 2019)

N Olsson-Seeto FRCSA (appointed 29 October 2019)

C Taylor FRCSA (appointed 29 October 2019)

S Mlikota MRCSA (resigned 29 October 2019)

A Bell FRCSA (resigned 29 October 2019)

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 $559,640 (2019: $474,020).

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 2020.

During the year ended 30 June 2020 RCSA maintained alignment with its strategy, purpose and mission. The strategy was established for the three calendar years 2017 to 2019, expiring on 20 February 2020. A thorough strategy review was undertaken by the Board, CEO, and General Manager – Operations & Member Services in February and saw the 2017-20 strategic priorities incorporated in to the new 2023 strategy as Strategic DNA. Five new strategic priorities were established.

The four channels of member value remain unaltered and continue as follows:

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

RCSA's New Strategic Priorities 2020 – 2023

1. **Leadership and Vision**

We will be recognised by individuals, organisations, communities and government as an authority on the changing world of work

2. **Member Promoters/ Members as Advocates**

We will deliver value, positive experience and engagement to our members which creates proud promoters and advocates of RCSA and our industry

3. **Optimise Commerciality Today, for Tomorrow**

We will review and grow our commercial opportunities and invest our success in the future of the association

4. **Expand Community Reach and Relevance**

We will expand our reach and relevance to communities with common purpose, objectives and interests, in order to increase our influence and commercial opportunities for the benefit of members.

5. **Grow Nextgen Professionals**

We will create & attract educated people to a career in recruitment and staffing. We will engage, connect and develop individuals to ensure success, longevity and contribution to our profession.

DIRECTORS' REPORT CONTINUED

RCSA's Short term objectives

We continue to invest in the structural capacity of the association to fulfil the strategic priorities, primarily by achieving the following:

- Broadening our advocacy, communications and member value;
- Retaining, supporting and growing our staff and their capability to grow and lead;
- Continuing to improve the financial management of the RCSA under the leadership of the CEO and Finance Manager;
- Refining, developing and promoting a market competitive learning and development service offering;
- Expanding our events and networking opportunities across the industry; and
- Establishing and promoting a revised Code of Professional Conduct.

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 Value 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 2020 there was change to the state of affairs as follows:

More extensive advocacy and policy leadership;

Improved member engagement strategy, delivering improved member retention;

Broadened partnership income streams and commercial opportunities that benefit our members; and

Responding to the significant COVID 19 pandemic, and demonstrating member value in their greatest time of need.

AFTER BALANCE DATE EVENTS

COVID-19

Beginning in February 2020, governments worldwide have issued increasingly stringent orders to contain the spread of COVID-19, including shelter-in-place orders and travel bans. In response, RCSA has established a work-at-home policy for all employees, travel has been reduced to an absolute minimum, and many learning and development and other events have been converted to a digital delivery format.

Since the end of the financial year, the state of Victoria has experienced further lock-down restrictions. The board and management will continue to assess the impact of COVID-19 on the Association including the impact on learning and development and other events and the collection of receivables. The full impact of the COVID-19 outbreak and the volatility of world markets continues to evolve as at the date of this report, and legislative changes that the Federal and State governments may make could cause further changes within the Association. As such, it is uncertain as to the impacts this will have on the Association. These financial statements have been prepared on the basis of the best available information at the time.

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 and 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:

	BOARD OF DIRECTORS		EXECUTIVE COMMITTEE		AUDIT & RISK COMMITTEE		REMUNERATION & NOMINATIONS COMMITTEE		MEMBERSHIP COMMITTEE		PARTNERSHIP & COMMERCIAL GROWTH	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
N Mapson Bone	7	7	11	11	-	-	2	2	2	2	-	-
I McPherson	6	7	11	11	3	4	-	-	-	-	4	4
S Heather	7	7	11	11	2	2	-	-	-	-	2	2
P O'Reilly	7	7	-	-	-	-	4	4	5	5	1	2
M Sampson	7	7	9	9	4	4	-	-	-	-	2	2
N Olsson-Seeto	4	5	-	-	2	2	2	2	-	-	-	-
C Taylor	5	5	-	-	-	-	-	-	3	3	-	-
J Walton	4	5	-	-	-	-	2	2	3	3	-	-
P Hlaca	5	5	-	-	-	-	-	-	-	-	1	2
S Hourigan	2	2	2	2	-	-	-	-	-	-	1	1
A Sullivan	2	2	-	-	-	-	2	2	-	-	2	2
S Mlikota	2	2	-	-	-	-	-	-	2	2	-	-
A Bell	2	2	-	-	-	-	-	-	-	-	-	-

DIRECTORS' REPORT CONTINUED

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 2020 the total amount that members of the entity are liable to contribute if the entity is wound up is $73,500 (2019: $73,300).

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.

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.

PROCEEDINGS ON BEHALF OF THE RECRUITMENT, CONSULTING & 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

Nina Mapson Bone FRCSA
Director

Matthew Sampson MRCSA
Director

Dated this 8th day of September 2020
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 2020.

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

8 September 2020

Liability limited by a scheme approved under Professional Standards Legislation

Director: Simon Hourigan CA, F Fin
Level 1, 339 Whitehorse Road Balwyn VIC 3103

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
Revenue	2	5,527,242	5,053,643
Salaries and employee benefits expense	10(a)	(1,962,998)	(1,911,138)
Membership services and representation expenses		(618,245)	(699,815)
Learning and development expenses		(241,810)	(311,341)
Event and functions expenses		(352,966)	(479,660)
Conference expenses		(910,272)	(504,070)
Fee for service expenses		(96,176)	(8,341)
Marketing expenses		(201,547)	(105,043)
Depreciation expense		(162,880)	(56,033)
Computer expenses		(96,093)	(108,071)
Office and administration expenses		(219,701)	(169,381)
Occupancy expenses		(104,914)	(226,730)
Surplus / (deficit) before income tax expense		559,640	474,020
Income tax expense		-	-
Surplus / (deficit) for the year		**559,640**	**474,020**
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income (loss) for the year		**559,640**	**474,020**

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
Current assets			
Cash and cash equivalents	3	1,753,327	1,734,568
Trade and other receivables	4	267,060	97,988
Other assets	5	220,848	267,623
Financial assets	6	1,353,666	1,285,396
Total current assets		**3,594,901**	**3,385,575**
Non-current asset			
Plant and equipment	7	38,136	95,782
Right-of-use assets	8	337,755	-
Other assets	5	82,563	82,563
Total non-current asset		**458,454**	**178,345**
Total assets		**4,053,355**	**3,563,920**
Current liabilities			
Trade and other payables	9	423,127	396,095
Employee benefits	10	125,119	83,011
Deferred income	11	1,328,807	1,876,362
Lease liabilities	8	111,760	-
Total current liabilities		**1,988,813**	**2,355,468**
Non-current liability			
Employee benefits	10	48,069	26,821
Lease liabilities	8	281,027	-
Total non-current liability		**329,096**	**26,821**
Total liabilities		**2,317,909**	**2,382,289**
Net assets		**1,735,446**	**1,181,631**
Members' Funds			
Retained profits		1,753,170	1,193,530
Foreign currency translation reserve		(17,724)	(11,899)
Total Members' Funds		**1,735,446**	**1,181,631**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

As at 30 June 2020

	Retained profits $	Foreign currency translation reserve $	Total Members' Funds $
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
Total members funds at 1 July 2019	1,193,530	(11,899)	1,181,631
Total comprehensive profit / (loss) for the year	559,640	-	559,640
Foreign currency translation	-	(5,825)	(5,825)
Total equity at 30 June 2020	1,753,170	(17,724)	1,735,446

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Notes	30 June 2020 $	30 June 2019 $
Cash flow from operating activities			
Receipts from membership subscriptions, events and workshops		5,307,354	5,764,311
Payment to suppliers and employees		(5,088,995)	(4,922,343)
Interest, dividends and distributions received		7,541	16,994
Interest paid on lease liability		(13,424)	-
Net cash provided by (used in) operating activities	13	212,476	858,962
Cash flow from investing activities			
Purchase of plant and equipment		(1,311)	(56,741)
Proceeds from disposals of plant and equipment		-	1,249
Purchase of financial assets		(100,000)	(400,000)
Withdrawal of funds from financial assets		875	554
Net cash used in investing activities		**(100,436)**	**(454,938)**
Cash flow from financing activities			
Principal component of lease payments		(89,893)	-
Net cash used in financing activities		**(89,893)**	**-**
Net increase in cash held		22,147	404,024
Cash and cash equivalents at beginning of the financial year		1,734,568	1,325,011
Exchange difference on cash and cash equivalents		(3,388)	5,533
Cash and cash equivalents at the end of the financial year	**3**	**1,753,327**	**1,734,568**

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Basis of preparation

The consolidated general purpose financial statements of the Association 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 Association 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 2020 were approved and authorised for issue by the directors on 8 September 2020.

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 Association financial statements consolidate those of the RCSA Australian entity and it's NZ branch as of 30 June 2020. 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 Association entities are eliminated on consolidation, included unrealised gains and losses on transactions between Association entities. Where unrealised losses of intra-Association asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Association 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 Association.

(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 Association 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 Association'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, over the period of the membership. 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 period in which the performance obligations take place.

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

(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 Association'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

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

(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.

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 Association'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 Association'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 Association 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

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 Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Association. 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 Association's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Association'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 Association 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.

(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.

Other long-term employee benefits

The Association'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 Association presents employee benefit obligations as current liabilities in the statement of financial position if the Association 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2020

(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

A provision for impairment of receivables hase been 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 2019

AASB 15 Revenue from Contracts with Customers

AABS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 ***Construction Contracts*** and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services which may be at a point in time or over time - determining this requires judgement.

The Association has adopted AASB 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of inital application being 1 July 2019. Accordingly, the information presented for 2019 has not been restated as previously reported under AASB 118.

The Association recognises revenue at a point in time when the control of goods are transferred to the customer which is at the point of delivery which is detailed in note 1(c). Consequently, there has been no significant impact on the Association's accounting policies from transition to AASB 15.

AASB 16 Leases

The Association has applied AASB 16 Leases using the modified retrospective (cumulative catch-up) method from from 1 July 2019, and therefore the comparative information for the year ended 30 June 2020 has not been restated and has been prepared in accordance with AASB 117 ***Leases*** and associated Accouting interpretations.

Impact of adoption with AASB 16

The impact of adopting AASB 16 is described below.

Association as a lessee

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accouting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight-line basis.

Practical expedients used on transition:

AASB 16 includes a number of practical expedients which can be used on transition, and the Association has used the following expedients:

- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 July 2019; and
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Financial statement impact of adoption of AASB 16

The Association has recognised right-of-use assets of $441,679 and lease liabilities of $482,680 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 3%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2020

	$
Operating lease commitments at 30 June 2019 financial statements	541,518
Less: Leases for low value assets included in commitments note:	(25,080)
	516,438
Impact of discounting	(33,758)
Lease liabilities recognised at 1 July 2019	**482,680**

Also, in relation to those leases under AASB 16, the Association has recognised depreciation and interest costs, instead of operating lease expense. During the year ended 30 June 2020, the Association recognised $103,925 of depreciation charges and $13,424 of interest cost from these leases.

AASB 1058 Income for Not-for-profit Entities

The Association has applied AASB 1058 from 1 July 2019. AASB addresses the recognition and measurement of income for not-for-profit entities. The concept of reciprocal and non-reciprocal transactions has been removed, and instead an assessment of enforceability and performance obligations is required. There has been no significant impact in the Association's revenue recognition.

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

There are no Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting period ending 30 June 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	Note	30 June 2020 $	30 June 2019 $
NOTE 2: REVENUE			
The Association's revenue may be analysed as follows for each major product and service category:			
Revenue from contracts with customers			
- membership subscriptions		1,817,644	1,783,971
- learning and development		320,010	407,939
- events and functions		226,902	362,155
- conferences		706,152	448,663
- fee for service income		140,555	5,270
- sponsors and commissions		2,079,035	1,749,133
- member contributions and grants for special membership projects		50,798	212,723
	2(a)	**5,341,096**	**4,969,854**
Other Revenue			
- interest, dividends, distributions and gains on investments		(14,251)	82,839
- COVID-19 subsidies and cash flow boost from Government		194,000	-
- other revenue - other persons		6,397	950
		186,146	83,789
Total revenue		**5,527,242**	**5,053,643**
(a) Revenue by timing of revenue recognition			
- Revenue recognised over time		3,137,477	2,803,136
- Revenue recognised at a point in time		2,203,619	2,166,718
Total revenue		**5,341,096**	**4,969,854**

NOTE 3: CASH AND CASH EQUIVALENTS

	Note	30 June 2020 $	30 June 2019 $
Cash and cash equivalents consist of the following:			
Cash on hand		500	500
Cash at bank		1,752,827	784,068
Short term deposits		-	950,000
	3(a)	**1,753,327**	**1,734,568**
(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		**1,753,327**	**1,734,568**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 4: TRADE AND OTHER RECEIVABLES

		30 June 2020 $	30 June 2019 $
Current			
Trade receivables		180,599	59,523
Provision for impairment	4(a)	(8,550)	-
Other receivables		95,011	38,465
		267,060	**97,988**

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

All of RCSA's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of $8,550 (2019: $Nil) has been recorded accordingly within administrative expenses. The impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

The Association writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

(a) Reconciliation of provision for impairment

	30 June 2020 $	30 June 2019 $
Balance 1 July 2019	-	-
Amounts written off (uncollectable)	(2,640)	-
Impairment loss	11,190	-
Balance 30 June 2020	**8,550**	**-**

NOTE 5: OTHER ASSETS

	30 June 2020 $	30 June 2019 $
Current		
Prepayments	217,548	207,623
Security deposits	3,300	60,000
	220,848	**267,623**
Non-current		
Security deposit	82,563	82,563
	82,563	**82,563**

NOTE 6: FINANCIAL ASSETS

Financial assets at fair value through profit or loss $1,353,666 (2019: $1,285,396) includes managed funds which are managed by third parties on behalf of the Association 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 2020

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 2019	**34,098**	**170,700**	**204,798**
Exchange rate adj. in opening balance	-	(18)	(18)
Additions	317	994	1,311
Disposals	-	-	-
Balance 30 June 2020	**34,415**	**171,676**	**206,091**
Depreciation and impairment			
Balance 1 July 2019	**(7,491)**	**(101,525)**	**(109,016)**
Exchange rate adj. in opening balance	-	17	17
Disposals	-	-	-
Depreciation	(6,264)	(52,692)	(58,956)
Balance 30 June 2020	**(13,755)**	**(154,200)**	**(167,955)**
Carrying amount at 30 June 2020	*20,660*	*17,476*	*38,136*
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**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 8: LEASES

The Association has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related interpretations.

Company as a lessee

The Association has a lease over the head office in Melbourne. The lease term is assessed as 5 years and there are fixed increases in the lease payments for the life of the lease.

Information relating to the leases in place and associated balances and transactions are provided below.

Right-of-use assets

	Buildings $	Total $
Balance at the beginning of the year	441,680	441,680
Depreciation charge	(103,925)	(103,925)
Balance at the end of the year	**337,755**	**337,755**

Extension options

The head office building lease contains an extension option which allows RCSA to extend the lease by another 5 years.

At commencement date and each subsequent reporting date, RCSA assesses whether it is reasonably certain that extension options will be exercised.

There are $746,649 in potential future lease payments which are not included in lease liabilities as RCSA has assessed that the exercise of the option is not reasonably certain.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 8: LEASES (continued)

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the RCSA is a lessee are shown below:

	$
Interest expense on lease liabilities	13,424
Expenses relating to leases of low-value assets	26,640
	40,064
Statement of Cash Flows	
Total cash outflow for leases	129,957

Lease liabilities

Maturity analysis - contractual undiscounted cashflows	
Less than one year	122,028
One to five years	291,093
More than five years	-
Total undicounted lease liabilities at 30 June	**413,122**

Lease liabilities included in the Statement of Financial Position at 30 June:

	30 June 2020 $
Current	111,760
Non-current	281,027
Total lease liabilties	**392,787**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

	30 June 2020 $	30 June 2019 $
NOTE 9: TRADE AND OTHER PAYABLES		
Current		
Trade payables	49,947	64,935
Other creditors & accruals	373,180	331,160
	423,127	**396,095**

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

NOTE 10: EMPLOYEE REMUNERATION

(a) Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	30 June 2020 $	30 June 2019 $
Wages, salaries	1,710,711	1,643,864
Workers compensation insurance	8,530	6,647
Payroll tax	8,373	44,190
Superannuation	132,171	126,729
Employee benefits expenses	63,558	38,069
Other employment expenses	39,655	51,639
	1,962,998	**1,911,138**

(b) Employee benefits

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

	30 June 2020 $	30 June 2019 $
Current		
Annual leave	125,119	83,011
Long service leave	-	-
	125,119	**83,011**
Non-Current		
Long service leave	48,069	26,821
	48,069	**26,821**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 11: DEFERRED INCOME

	Note	30 June 2020 $	30 June 2019 $
Current			
Conference income received in advance	11(a)	-	498,859
Subscriptions received in advance		956,541	760,102
Sponsorship income received in advance	11(a)	134,042	422,361
Other income received in advance	11(b)	238,224	195,040
		1,328,807	**1,876,362**

(a) Due to COVID-19 the 2020 face-to-face Conference has been cancelled, so no funds were held in advance at balance date. The cancellation of the Conference has also contributed to lower sponsorship income in advance at balance date.

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

NOTE 12: AUDITOR'S REMUNERATION

	30 June 2020 $	30 June 2019 $
Remuneration of the auditors of the company for:		
- auditing or reviewing the financial statements	21,500	19,500
	21,500	**19,500**

NOTE 13: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	30 June 2020 $	30 June 2019 $
Cash flow from operating activities		
Net surplus / (deficit) for the period	559,640	474,020
Non cash items in operating surplus / (deficit):		
Depreciation	162,880	56,033
Net foreign exchange gain	(2,436)	(12,573)
Loss on disposal of assets	-	1,620
Unrealised gain on FVPL assets	81,816	(40,734)
Provision for impairment of debtors	8,550	-
Net Changes in working capital		
Change in receivables and other assets	(181,807)	67,107
Change in trade, other payables and deferred income	(479,523)	275,289
Change in provisions	63,356	38,201
Net cash flow from / (used in) operating activities	**212,476**	**858,963**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 14: RELATED PARTY TRANSACTIONS

Key management personnel related entities

The Association'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:	30 June 2020 $	30 June 2019 $
Consultants fees charged from:		
Beaumont Consulting	-	51,877
OnTalent Pty Ltd	6,500	-
	6,500	**51,877**

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:

	30 June 2020 $	30 June 2019 $
Short-term employee benefits	380,474	330,000
Long-term benefits	21,003	20,531
Total remuneration	**401,477**	**350,531**

NOTE 15: CONTINGENCIES

	30 June 2020 $	30 June 2019 $
The Association has provided bank guarantees secured by term deposits in favour of the property owner on the Association's leased premises	82,563	142,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 16: LEASING COMMITMENTS

	30 June 2020 $	30 June 2019 $
Operating leases as lessee		
The Association's future minimum operating lease payments are as follows:		
Minimum lease payments due:		
- within one year	-	108,597
- later than one year and not later than five years	-	432,921
Total	**-**	**541,518**

Operating leases have been taken out for premises and photocopiers.

The property lease commitment is a non-cancellable operating lease with a lease term of 5 years. The lease has an annual rent increase of 3.75%, and 4% per year on any lease extension.

Refer to note 8 for information about leases in 2020.

NOTE 17: FINANCIAL RISK MANAGEMENT

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

The Association's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Association'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 Association 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 18 for detailed disclosures regarding the fair value measurement of the company's financial assets and liabilities.

NOTE 18: 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 prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2020

NOTE 18: 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 2020 and 30 June 2019:

	Notes	Level 1	Total
30 June 2020		$	$
Assets			
IInvestment in managed funds	18(i)	1,353,666	1,353,666
Net fair value		1,353,666	1,353,666
30 June 2019			
Assets			
Investment in managed funds	18(i)	1,285,396	1,285,396
Net fair value		1,285,396	1,285,396

(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 19: CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Management controls the capital of the Association 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 Association's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Association's capital by assessing the Association'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 Association since the previous year.

NOTE 20: POST-REPORTING DATE EVENTS

COVID-19

Beginning in February 2020, governments worldwide have issued increasingly stringent orders to contain the spread of COVID-19, including shelter-in-place orders and travel bans. In response, RCSA has established a work-at-home policy for all employees, travel has been reduced to an absolute minimum, and many learning and development and other events have been converted to a digital delivery format.

Since the end of the financial year, the state of Victoria has experienced further lock-down restrictions. The board and management will continue to assess the impact of COVID-19 on the Association including the impact on learning and development and other events and the collection of receivables. The full impact of the COVID-19 outbreak and the volatility of world markets continues to evolve as at the date of this report, and legislative changes that the Federal and State governments may make could cause further changes within the Association. As such, it is uncertain as to the impacts this will have on the Association. These financial statements have been prepared on the basis of the best available information at the time.

There have been no other transactions or events of a material or unusual nature between the end of the reporting period and the date of this report that will, in the opinion of the directors, significantly affected the operations of the Association, the results of those or operations, or state of affairs of the Association in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 21: 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 Association. At 30 June 2020 the total amount that members of the Company are liable to contribute if the Company is wound up is $73,500 (2019: $73,300).

NOTE 22: 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 2020 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

Nina Mapson Bone FRCSA
Director

Matthew Sampson MRCSA
Director

Dated this 8th day of September 2020
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 2020, 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 2020 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 Directors 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.

Hourigan Partners

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain proMssional 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

8 September 2020

Liability limited by a scheme approved under Professional Standards Legislation

The Recruitment, Consulting & Staffing Association Limited
Australia & New Zealand

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