

2021

ANNUAL
REPORT



Contents

2020/2021 RCSA ANNUAL REPORT

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President's Report

Adrenalin, acceptance, acceleration, and importantly, adaptability - these are the terms I use when reviewing the stages and life cycles caused by COVID-19 and how these cycles have impacted and will continue to impact our industry.

COVID-19 shook the recruitment and staffing industry in Australia and New Zealand, and it is crucial to understand what this means for RCSA's partners and members.

2020 was the year of adrenalin. In that first phase of the pandemic, we had to quickly respond to this new paradigm, which challenged the way we lived, worked, socialised, and operated as a community.

It often caused the heart to race with the unknown and it challenged our very being. When we were first placed into restrictions in 2020 everything was put on hold, and as an industry we saw our business drop. We scrambled, fought, and stabilised and then the first signs of hope started appearing. Lockdowns eased, our scientific community was making great headway on a vaccination solution and optimism re-entered the picture.

2021 became a year of acceptance. We accepted that COVID-19 was going to be an ongoing challenge and opportunity, and one that continues to make us to rethink the way we operate with our peers, staff, candidates, and clients.

We started to make our peace with this constantly changing world and came to terms with the impacts caused by it. This included addressing mental health concerns as well as rethinking the way we operate with a blend of remote and office work and how to navigate through this.

We hadn't beaten COVID-19, but it started to feel like we were on top when hiring came back with a vengeance. And then lockdowns returned for many of us, and we found ourselves facing various levels of uncertainty.

No one put off their hiring decisions, in fact they went full steam ahead. The problem is we found ourselves in a talent short market with no international workers to be able to fill the gaps. We became busier than we've ever been before.

As we move into 2022, I optimistically predict it will be a year of accelerated growth.

We will need to accelerate how we help our clients find the even harder to find candidates, in a talent short market.

We will need to speed up the process of assisting our clients to readjust their thinking when it comes to new hires. This means looking beyond the usual candidate and looking at transferable skill sets. It also means it is vital to work with clients on how to keep staff members, who are exhausted and disillusioned due to world events.

We will need to increase the pace in which we do business and how we connect with our candidates and clients.

We will need to accelerate how our clients and candidates view and interact in the new normal when it comes to our workspaces and workforces. We will need to readjust our thinking to a hybrid working model between at home and in the office and investigate further innovations in engaging and energising a remote workforce.

To do this we will need to be less wedded to how things were done before, by being more willing to try different tactics and strategies ...and this leads us to adaptability.

To do all of this we need to be adaptable, and that's how we will continue to show our worth as the true professionals in recruitment and staffing.

I find that genuinely exciting because it is by working together, sharing coping mechanisms, and providing support that I know our adaptability and resilience will win through.

Having seen how rapidly our industry evolved to adjust to the sudden change thrust upon us over the past two years I know we have the capability to adapt again.

And at all times, RCSA is at the forefront of this as the leaders in the world of work.

Nina Mapson Bone FRCSA
President

CEO's Report

As the Chief Executive of an association of professionals and professional businesses, it is always gratifying to see the growth of the association built on the strength of the membership and the industry. Growth that is real and sustainable. The financial year 2020 to 2021 was an exceptionally strong year for RCSA.

Success can be measured in many ways, and only one of them is financial. True success is measured by levels of trust, contribution and purpose. RCSA's record net promoter score of 48 for Australia and 52 for New Zealand for 2021, implies that we have earned a new level of trust and confidence which, in turn, has allowed your association to be bolder and more vocal on matters of importance to members, candidates, workers, communities and the respective economies of Australia and New Zealand.

With an exceptional net promoter score of 52 across our Aotearoa (New Zealand) member community, it is befitting that we recognise our break-even financial result, inspired by our New Zealand Manager, Rebecca Clarke, and our Christchurch based Member Group Manager, Zoe Husband. This is the first time RCSA has achieved such a result in New Zealand and we are so very proud of the work being done by the entire RCS A-Team to support our member, partner and stakeholder community. Our efforts to keep exceptionally high levels of engagement continuing, under the stress of COVID-19 and supporting those members who were really hurting, demonstrated that our industry can still be super competitive, and successful, whilst collaborating and supporting each other to get through difficult times. This engagement culminated in a record number of 14 candidates standing for election on the New Zealand Council of RCSA in late 2020, which is also a further demonstration of trust, confidence and passion.

Operationally, your association continued to drive forward with key system improvements to ensure we remained streamlined for service. The move to a paperless accounting system, the successful implementation of direct debit for corporate member subscriptions, significant IT infrastructure upgrades and additional support for staff to ensure physical and mental health through the pandemic are all examples of how we have improved our capability to service members, deliver value to partners and oversee great outcomes for important stakeholders. Importantly, our continued operational evolution occurred whilst we grew and delivered across each of our channels of member value. One of those key deliverables was filling over 25,000 shifts with agency nurses and personal carers during the pandemic when those shifts would otherwise have been unfilled. This is how we support our community.

We promoted and protected the industry in many ways. Most importantly, we stood strong and articulated the value of our industry in successfully challenging the Federal Court of Australia decision in *WorkPac v Rossatto* and, through this result, we ensured that our members could continue to provide workers with the type of work they want, and business with the solutions they need. We worked on defining responsible procurement and established close relationships with procurement professionals in accordance with our strategic priority to expand our reach and relevance. We challenged the decisions of providers in the market to ensure that members could operate sustainably and with fairness. We never took a backward step because that's why we exist.

We adapted to the new COVID-19 world by delivering exceptionally high quality digital events and, by doing so, gave our members a place to share, compare and support one another.

We ran our first hybrid event in 'Risky Business' to ensure that our commitment to professional standards and compliance was unwavering, we hosted TalentX in Sydney to promote digital leadership before 335 attendees and 29 partners. We enjoyed the highest number of award applications in the history of your association and ran our awards event in the middle of a pandemic. We launched the Talent Executive Network to support the owners and leaders to be even better at what they do. We supported you, because that's why we exist.

The record level of membership retention for the 2020-2021 financial year, and a record financial result, was so very welcome, given the exceptionally hard work of the staff of RCSA, but we are nothing without the hundreds of volunteers who turn up month after month to lead in the world of work. Thank you to each and every one of you. You know who you are.

We, within RCSA HQ, are so proud to represent the trusted opportunity makers at a time when you are needed more than ever. We are better, and stronger, as one.

Charles Cameron
RCSA CEO

Partners

RCSA would like to thank its 2020/2021 Supporters without which many programs, events and activities would not be possible.



Our Purpose

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

OUR STRATEGIC PRIORITIES

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 our commercial opportunities and invest 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

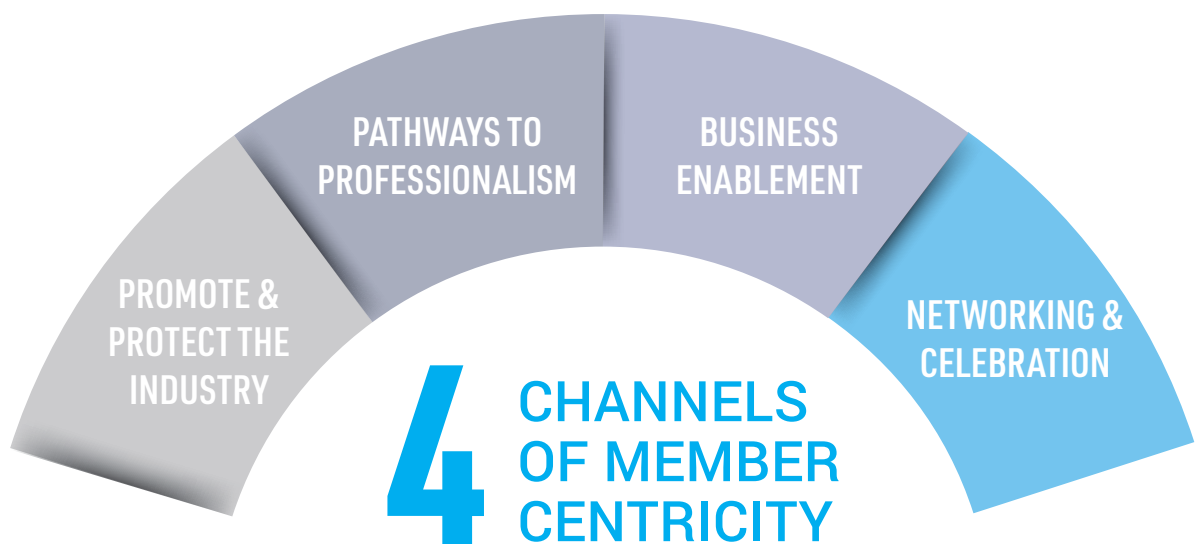
We will create & attract educated people to a career in recruitment and staffing. We will engage, connect and develop individuals to ensure success, longevity and contribution to our profession

Our Vision

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

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



Board of Directors



PRESIDENT

Nina Mapson Bone FRCSA

Managing Director
Beaumont Consulting



VICE PRESIDENT

Ian McPherson FRCSA

Director
Enterprise Recruitment



VICE PRESIDENT

Penny O'Reilly MRCSA

Managing Director
ManpowerGroup



FINANCE DIRECTOR

Matthew Sampson MRCSA

Managing Director
Aspect Personnel



DIRECTOR

Penni Hlaca MRCSA

Director
Togethr



DIRECTOR

Natasha Olsson-Seeto FRCSA

Chief Executive
OnTalent



DIRECTOR

Erin Devlin FRCSA

Managing Director
people2people Recruitment Victoria



DIRECTOR

Corrine Taylor FRCSA

Managing Director
CTBC



DIRECTOR

Jodi Walton

Director
Harrison McMillan



DIRECTOR

Matt Iustini FRCSA

CEO
Technical Resources



CEO

Charles Cameron

CEO
RCSA



Financial Report for the year ended 30 June 2021



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

Directors' Report

The directors present this report on The Recruitment, Consulting & Staffing Association Limited ("RCSA") or ("Association") for the year ended 30 June 2021.

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
P O'Reilly MRCSA
M Sampson MRCSA
E Devlin MRCSA (appointed 22 April 2021)
S Heather FRCSA (resigned 27 April 2021)
J Walton
P Hlaca MRCSA
N Olsson-Seeto FRCSA
C Taylor FRCSA
M Iustini MRCSA (appointed 24 May 2021)

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 Association 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 \$747,045 (2020: \$559,640).

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 RCSA for the year ended 30 June 2021.

During the year ended 30 June 2021, RCSA maintained a strong 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 management team in February and saw the 2017-20 strategic priorities incorporated in to the new 2020-2023 strategy as Strategic DNA. Five new strategic priorities were also 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 & Vision

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

2. Members as Promoters & 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 & 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 the Next Generation of Professionals

"We will create and 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 Head of Finance & Risk;
- Pursuing Growth under the leadership of our CEO, Head of Growth and Head of Operations & Member Services;
- 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 our surplus and reserves 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 DNA priority.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year ended 30 June 2021 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

Since the end of the financial year, various states of Australia have experienced further lock-down restrictions due to the COVID-19 pandemic. The board and management made the decision on 2 July 2021 to cancel the face-to-face conference which was due to be held on 30 August - 2 September, and will continue to assess the impact of COVID-19 on the Association. 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 further 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

Director: **Nina Mapson Bone FRCSA**
Qualifications: MA (Hons)
Experience: 20 years Recruitment, 12 years sales in UK, Europe, USA and Australia
Special Responsibilities: RCSA President, Chair of Executive Committee

Director: **Penelope O'Reilly MRCSA**
Qualifications: Bachelor of Business
Experience: 23 years in recruitment, 29 years in leadership roles
Special Responsibilities: RCSA Vice President, Member of Executive Committee, Chair of Remuneration & Nominations Committee, Former Chair of Membership Committee

Director: **Natasha Olsson-Seeto, FRCSA**
Qualifications: Graduate Certificate in Gastronomic Tourism
Experience: 26 years industry experience in Global organisations including 8 years in 'Big 4'
Special Responsibilities: Director, Member of Audit & Risk Committee, Member of Remuneration & Nominations Committee

Director: **Penni Hlaca, MRCSA**
Qualifications: Post Graduate Certificate in Strategic Leadership
Experience: 23 years recruitment industry experience in AU and NZ
Special Responsibilities: Director, Member of Partnership & Commercial Growth Committee

Director: **Erin Devlin MRCSA**
Qualifications: Graduate Certificate of Business, Graduate of the Australian Institute of Company Directors
Experience: 15 years recruitment industry, 11 years leadership experience and 11 years Director and Board experience
Special Responsibilities: Director, Member of Memberships Committee

Director: **Ian McPherson FRCSA**
Qualifications: -
Experience: 28 years in recruitment industry
Special Responsibilities: RCSA Vice President, Member of Executive Committee, Member of Audit & Risk Committee, Chair of Partnerships & Commercial Growth Committee

Director: **Matthew Sampson MRCSA**
Qualifications: Bachelor of Commerce
Experience: 15 years in recruitment
Special Responsibilities: RCSA Finance Director, Member of Executive Committee, Chair of Audit & Risk Committee, Member of Partnership & Commercial Growth Committee

Director: **Jodi Walton**
Qualifications: AHRI (Certified Practitioner Human Resources) and Lean Management Practitioner
Experience: 21 years in recruitment
Special Responsibilities: Director, Member of Remuneration & Nominations Committee, Member of Membership Committee

Director: **Corrine Taylor, FRCSA**
Qualifications: Diploma of Management
Experience: Over 21 years experience in the health recruitment industry
Special Responsibilities: Director representing member Groups ANRA and AMRANZ, Chair of Membership Committee, Chair of AMRANZ

Director: **Matthew Iustini MRCSA**
Qualifications: Bachelor of Commerce
Experience: 20 years recruitment experience, 3 in UK and 17 in Australia
Special Responsibilities: Director, Member of Partnership & Commercial Growth Committee

DIRECTORS' REPORT CONTINUED

INFORMATION ON DIRECTORS

Director:	Steve Heather FRCSA
Qualifications:	Bachelor Applied Science(Mining Engineer) , W.A.S.M. First Class Mine Mangers Certificate of Competency (WA law)
Experience:	21 years mining industry experience, 25 years recruitment industry
Special Responsibilities:	Former RCSA Vice President, Former Member of Executive Committee, Former Chair of Partnership & Commercial Growth Committee

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.

MEETING OF DIRECTORS

Attendance by individual Directors at meetings they were entitled to attend, was as set out in the table below:

	Board of Directors	Executive Committee Meetings	Audit & Risk Committee	Remuneration & Nominations Committee	Membership Committee	Partnership & Commercial Growth
N Mapson Bone	7 of 7	9 of 9	-	-	-	-
I McPherson	7 of 7	9 of 9	3 of 4	-	-	3 of 4
P O'Reilly	7 of 7	-	-	4 of 4	3 of 3	-
M Sampson	7 of 7	8 of 9	4 of 4	-	-	4 of 4
N Olsson-Seeto	7 of 7	-	4 of 4	4 of 4	-	-
C Taylor	6 of 7	-	-	-	3 of 4	-
J Walton	7 of 7	-	-	4 of 4	3 of 4	-
P Hlaca	5 of 7	-	-	-	-	4 of 4
E Devlin	2 of 2	-	-	-	1 of 1	-
M Iustini	1 of 1	-	-	-	-	-
S Heather	4 of 6	5 of 8	-	-	-	4 of 4

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 2021 the total amount that members of the entity are liable to contribute if the entity is wound up is \$70,600 (2020: \$73,500).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s.60-40 of the **Australian Charities and Not-for-profits Commission Act 2012** is included in page 16 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 1st day of September 2021
Melbourne, Victoria



—
Daniel
Allison
& Associates

Invested
in your
future.

The Board of Directors
Suite 2, Level 9
500 Collins Street
Melbourne, Victoria 3000

1 September 2021

Dear Board Members

The Recruitment, Consulting & Staffing Association Limited

In accordance with the requirements of 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 2021, I declare that, to the best of my knowledge and belief, there have been:

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

Yours sincerely

Daniel Allison & Associates Assurance

DANIEL ALLISON & ASSOCIATES ASSURANCE
Chartered Accountants

Paul Carr
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
Revenue	2	6,367,123	5,527,242
Salaries and employee benefits expense	10(a)	(2,761,226)	(1,962,998)
Membership services and representation expenses		(1,384,671)	(618,245)
Learning and development expenses		(87,241)	(241,810)
Event and functions expenses		(392,270)	(352,966)
Conference expenses		(22,760)	(910,272)
Fee for service expenses		(304,497)	(96,176)
Marketing expenses		(202,808)	(201,547)
Depreciation expense		(129,279)	(162,880)
Computer expenses		(112,033)	(96,093)
Office and administration expenses		(140,299)	(219,701)
Occupancy expenses		(82,994)	(104,914)
Surplus before income tax expense		<u>747,045</u>	<u>559,640</u>
Income tax expense		-	-
Surplus for the year		<u>747,045</u>	<u>559,640</u>
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		<u>747,045</u>	<u>559,640</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents	3	3,344,139	1,753,327
Trade and other receivables	4	308,973	267,060
Other assets	5	322,088	220,848
Total current assets		<u>3,975,200</u>	<u>2,241,235</u>
Non-current assets			
Financial assets at fair value through profit or loss	6	1,506,375	1,353,666
Plant and equipment	7	93,978	38,136
Right-of-use assets	8	233,830	337,755
Other assets	5	82,563	82,563
Total non-current assets		<u>1,916,746</u>	<u>1,812,120</u>
Total assets		<u>5,891,946</u>	<u>4,053,355</u>
Current liabilities			
Trade and other payables	9	619,460	423,127
Employee benefits	10	201,929	125,119
Deferred income	11	2,249,650	1,328,807
Lease liabilities	8	119,799	111,760
Total current liabilities		<u>3,190,838</u>	<u>1,988,813</u>
Noncurrent liabilities			
Employee benefits	10	56,989	48,069
Lease liabilities	8	161,228	281,027
Total non-current liabilities		<u>218,217</u>	<u>329,096</u>
Total liabilities		<u>3,409,055</u>	<u>2,317,909</u>
Net assets		<u>2,482,891</u>	<u>1,735,446</u>
Members' Funds			
Retained profits		2,500,215	1,753,170
Foreign currency translation reserve		(17,324)	(17,724)
Total Members' Funds		<u>2,482,891</u>	<u>1,735,446</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

As at 30 June 2021

	Retained profits \$	Foreign currency translation reserve \$	Total Members' Funds \$
Total members funds at 1 July 2019	1,193,530	(11,899)	1,181,631
Total comprehensive profit for the year	559,640	-	559,640
Foreign currency translation	-	(5,825)	(5,825)
Total members' funds at 30 June 2020	1,753,170	(17,724)	1,735,446
Total members funds at 1 July 2020	1,753,170	(17,724)	1,735,446
Total comprehensive profit for the year	747,045	-	747,045
Foreign currency translation	-	400	400
Total members' funds at 30 June 2021	2,500,215	(17,324)	2,482,891

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
Cash flow from operating activities			
Receipts from membership subscriptions, events and workshops		7,900,028	5,307,354
Payment to suppliers and employees		(6,107,187)	(5,088,995)
Interest, dividends and distributions received		985	7,541
Interest paid on lease liability		(10,268)	(13,424)
Net cash provided by operating activities	13	1,783,558	212,476
Cash flow from investing activities			
Purchase of plant and equipment		(81,287)	(1,311)
Purchase of financial assets		-	(100,000)
Withdrawal of funds from financial assets		943	875
Net cash used in investing activities		(80,344)	(100,436)
Cash flow from financing activities			
Principal component of lease payments		(111,760)	(89,893)
Net cash used in financing activities		(111,760)	(89,893)
Net increase in cash held		1,591,454	22,147
Cash and cash equivalents at beginning of the financial year		1,753,327	1,734,568
Exchange difference on cash and cash equivalents		(642)	(3,388)
Cash and cash equivalents at the end of the financial year	3	3,344,139	1,753,327

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

The consolidated financial report covers The Recruitment, Consulting & Staffing Association Limited ("RCSA") or ("Association"). RCSA is a company limited by guarantee, incorporated and domiciled in Australia, and with a division in New Zealand ("NZ").

The consolidated financial statements for the year ended 30 June 2021 were approved and authorised for issue by the directors on 30 August 2021.

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 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.

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 its NZ division as of 30 June 2021. Control is achieved where the Association 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 division 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 an 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 Association'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 profit or loss in the year that the event is held.

General sponsorship revenue

General sponsorship revenue is recognised over the period in which the performance obligations take place.

Grant revenue

Grant revenue is recognised in the profit or loss when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association 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.

Volunteer services

The Association has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

(d) Conference revenue and expenses

Conference related revenue and expenditure is brought to account in the profit or loss 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 is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

- **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.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(g) Leases

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

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

(i) Financial instruments

Recognition, initial measurement and derecognition

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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

Impairment of Financial assets

The Association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Trade and other receivables

The Association considers a financial asset in default when contractual payments are 120 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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

(j) Income tax

The Association had been granted "Charity" status by the Australian Taxation Office and is exempt from paying income tax.

(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

Liabilities for wages and salaries, including non-monetary benefits, annual leave, sick leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the Association to an employee superannuation fund and are expensed in the period in which they are 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 tax authority. 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 are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented in the consolidated 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.

(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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the consolidated financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Provision for impairment of receivables

A provision for impairment of receivables has been recognised in the consolidated statement of financial position as at balance date.

Estimation of 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 2020

AASB 2020-4 Amendments to Australian Accounting Standards - Covid-19 Related Rent Concessions and AASB 2021-3 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond June 2021

AASB 2020-4 and AASB 2021-3 amend AASB 16 Leases to provide practical relief to lessees in accounting for rent concessions arising as a result of COVID-19, by including an additional practical expedient in the standard.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying AASB 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
- There is no substantive change to other terms and conditions of the lease.

The amendment in AASB 2020-4 applies to annual reporting periods beginning on or after 1 June 2020 and applied to rent concessions affecting payments originally due on or before 30 June 2021. The amendment in AASB 2021-3 applies to annual reporting periods beginning on or after 1 April 2021 and extends the ambit of the practical expedient to include rent concessions affecting payments originally due on or before 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

Changes in accounting policies (continued)

The directors have elected under s.334(5) of the *Corporations Act 2001* to apply AASB 2021-3 prior to its mandatory effective date. These amendments are required to be applied on a retrospective basis, with the cumulative effect of initially applying AASB 2021-3 recognised as an adjustment to the opening balance of retained profits (or other component of members' funds, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. However, as all additional eligible rent concessions to which the practical expedient has been applied, have been negotiated or entered into during the current financial year, there is no amount that impacts prior financial reporting periods. As a result, there is no retrospective adjustment in respect of retained profits or other components of members' funds at the beginning of the reporting period 1 July 2020.

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

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 2021, outlined in the table below:

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 - September 2020 When these amendments are first adopted for the year ending 30 June 2022, there will be no material impact on the financial statements.	1 January 2021	30 June 2022
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as current or Non-current When these amendments are first adopted for the year ending 30 June 2023, there will be no material impact on the financial statements.	1 January 2022	30 June 2023
AASB 2020-3 Amendments to Australian Accounting Standards - Annual improvements 2018-2020 and Other Amendments When these amendments are first adopted for the year ending 30 June 2023, there will be no material impact on the financial statements.	1 January 2022	30 June 2023
AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates When these amendments are first adopted for the year ending 30 June 2024, there will be no material impact on the financial statements.	1 January 2023	30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

Note	30 June 2021	30 June 2020
	\$	\$

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	1,795,638	1,817,644
- learning and development	214,249	320,010
- events and functions	188,437	226,902
- conferences	10,822	706,152
- fee for service income	1,258,751	140,555
- sponsors and commissions	1,610,009	2,079,035
- member contributions and grants for special membership projects	901,834	50,798
2(a)	5,979,740	5,341,096

Other revenue

Investment income

- interest	7,505	28,309
- dividends	31,178	23,234
- other investment income	121,263	(65,794)

COVID-19 subsidies and cash flow boost from Government

223,180 194,000

Other revenue - other persons

4,257 6,397

387,383 186,146

Total revenue

6,367,123 5,527,242

(a) Revenue by timing of revenue recognition

- Revenue recognised over time	2,936,786	3,161,635
- Revenue recognised at a point in time	3,042,954	2,179,461
Total revenue	5,979,740	5,341,096

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Cash on hand	500	500
Cash at bank	3,343,639	1,752,827
3(a)	3,344,139	1,753,327

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the consolidated statement of financial position as follows:

Cash and cash equivalents	3,344,139	1,753,327
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30 June 2021	30 June 2020
		\$	\$

NOTE 4: TRADE AND OTHER RECEIVABLES

Current

Trade receivables		173,558	180,599
Provision for impairment	4(a)	(8,550)	(8,550)
Other receivables		143,965	95,011
		308,973	267,060

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 (2020: \$8,550) 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

Balance 1 July	8,550	-
- Amounts written off (uncollectable)	(467)	(2,640)
- Impairment loss	467	11,190
Balance 30 June	8,550	8,550

NOTE 5: OTHER ASSETS

Current

Prepayments	318,788	217,548
Security deposits	3,300	3,300
	322,088	220,848

Non-current

Security deposit	82,563	82,563
	82,563	82,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss \$1,506,375 (2020: \$1,353,666) 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.

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 2020	34,415	171,676	206,091
Exchange rate adj. in opening balance	-	(3)	(3)
Additions	-	81,287	81,287
Disposals	-	(9,500)	(9,500)
Balance 30 June 2021	34,415	243,460	277,875
Depreciation and impairment			
Balance 1 July 2020	(13,755)	(154,200)	(167,955)
Exchange rate adj. in opening balance	-	(3)	(3)
Disposals	-	9,415	9,415
Depreciation	(6,274)	(19,080)	(25,354)
Balance 30 June 2021	(20,029)	(163,868)	(183,897)
Carrying amount at 30 June 2021	14,386	79,592	93,978
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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

NOTE 8: LEASES

Association 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 \$
Year ended 30 June 2021		
Balance at the beginning of the year	337,755	337,755
Depreciation charge	(103,925)	(103,925)
Balance at the end of the year	233,830	233,830
Year ended 30 June 2020		
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 2021

NOTE 8: LEASES (CONTINUED)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

	30 June 2021 \$	30 June 2020 \$
Interest expense on lease liabilities	10,268	13,424
Expenses relating to leases of low-value assets	38,640	26,640
	48,908	40,064

Statement of Cash Flows

Total cash outflow for leases	160,668	129,957
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Lease liabilities

Maturity analysis - contractual undiscounted cashflows

Less than one year	126,604	122,028
One to five years	164,489	291,093
More than five years	-	-
Total undiscounted lease liabilities at 30 June	291,093	413,121

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

Current	119,799	111,760
Non-current	161,228	281,027
Total lease liabilities	281,027	392,787

Covid-19 Related Rent Concessions

The Association has benefited from a 25% month waiver of lease payments on buildings in Melbourne (2020: Nil). The waiver of lease payments of \$15,114 (2020: \$Nil) has been accounted for as a negative variable lease payment in profit or loss. The Association has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of paragraph 3.3.1 of AASB 9 *Financial Instruments*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

30 June 2021
\$

30 June 2020
\$

NOTE 9: TRADE AND OTHER PAYABLES

Current

Trade payables	130,552	49,947
Other creditors & accruals	488,908	373,180
	<u>619,460</u>	<u>423,127</u>

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:

- Wages, salaries	2,400,085	1,710,711
- Workers compensation insurance	11,024	8,530
- Payroll tax	27,352	8,373
- Superannuation	175,565	132,171
- Employee benefits expenses	86,075	63,558
- Other employment expenses	61,125	39,655
	<u>2,761,226</u>	<u>1,962,998</u>

(b) Employee benefits

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

Current

Annual leave	184,393	125,119
Long service leave	17,536	-
	<u>201,929</u>	<u>125,119</u>

Non-Current

Long service leave	56,989	48,069
	<u>56,989</u>	<u>48,069</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
NOTE 11: DEFERRED INCOME			
Current			
Conference income received in advance	11(a)	377,166	-
Subscriptions received in advance		1,077,968	956,541
Sponsorship income received in advance	11(a)	125,702	134,042
Other income received in advance	11(b)	255,814	238,224
Amounts held for government projects		413,000	-
		<u>2,249,650</u>	<u>1,328,807</u>

(a) Due to COVID-19 the 2020 face-to-face conference was cancelled, so no funds were held in advance at 30 June 2020. The 2021 face-to-face conference was cancelled on 2 July 2021, with all income in advance being refunded in FY22.

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

NOTE 12: AUDITOR'S REMUNERATION

Remuneration of the auditors of the Association for auditing and review of the financial statements

- Hourigan Partners	-	21,500
- Daniel Allison & Associates Assurance	19,500	-
	<u>19,500</u>	<u>21,500</u>

NOTE 13: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES**Cash flow from operating activities**

Net surplus for the period	747,045	559,640
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Non cash items in operating surplus:

Depreciation and amortisation	129,279	162,880
Net foreign exchange gain / (loss)	1,042	(2,436)
Loss on disposal of assets	92	-
Unrealised (gain)/loss on FVPL assets	(124,384)	81,816
Provision for impairment of debtors	-	8,550

Net changes in working capital

Change in receivables and other assets	(72,422)	(181,807)
Change in trade, other payables and deferred income	1,117,176	(479,523)
Change in provisions	(14,270)	63,356

Net cash flow from operating activities	<u>1,783,558</u>	<u>212,476</u>
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

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.

	30 June 2021 \$	30 June 2020 \$
Transactions with related parties		
The following fees were charged to the Association by entities related to the directors of the Board:		
Consultants fees charged from:		
- Ctaylor Business Consulting Pty Ltd	8,041	-
- Hudson Global Resources Aust Pty Ltd	13,140	-
- OnTalent Pty Ltd	500	6,500
- Togethr 2020 Limited	3,659	-
	<hr/> 25,340	<hr/> 6,500

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

Key management personnel refers to the Chief Executive Officer of the Association. Key management personnel remuneration includes the following expenses:

- Short-term employee benefits	450,556	380,474
- Long-term benefits	21,637	21,003
Total remuneration	<hr/> 472,193	<hr/> 401,477

NOTE 15: CONTINGENCIES

The Association has provided bank guarantees secured by term deposits in favour of the property owner on the Association's leased premises

82,563	82,563
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

NOTE 16: FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

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 most significant financial risks to which the Association is exposed to is disclosed below.

The carrying amounts for each category of financial instruments, measured in accordance with **AASB 9 Financial Instruments** 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 Association's financial assets and liabilities.

Market risk analysis

The Association is exposed to market risk through its use of financial instruments and specifically to interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate sensitivity

At 30 June 2021, the Association is exposed to changes in market interest rates through its security deposit and managed funds portfolio.

It is reasonably possible that a change of +/- 0.50% (2020: +/-0.50%) in interest rates will occur based on observation of current market conditions, which would have minimal impact on the results of the Association.

Other price risk sensitivity

The Association is exposed to other price risk in respect of listed equity securities included in investments in managed funds (Note 6).

For the investment in managed funds, an average volatility of 10% has been observed during 2021 (2020: 10%). This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the quoted stock price for the securities included in the managed funds increased or decreased by that amount, profit or loss and equity would have changed by \$151,000 (2020: \$135,000). The investments in managed funds are classified as held at fair value and therefore these movements would be recognised in profit or loss.

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Association. The Association is exposed to this risk for various financial instruments, for example by granting receivables to customers, placing deposits, investment in bonds etc. The Association's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	30 June 2021 \$	30 June 2020 \$
Classes of financial assets		
<i>Carrying amounts:</i>		
- cash and cash equivalents	3,344,139	1,753,327
- trade and other receivables	308,973	267,060
	<u>3,653,112</u>	<u>2,020,387</u>

The Association continuously monitors defaults of customers and other counterparties; identified either individually or by group, and incorporates this information into its credit risk controls.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

NOTE 16: FINANCIAL INSTRUMENT RISK (CONT.)

The Association's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

Some of the unimpaired trade and other receivables are past due as at the reporting date. Information on financial assets past due but not impaired are as follows:

	30 June 2021 \$	30 June 2020 \$
Gross amount	308,973	267,060
- Not more than 30 days	-	-
- More than thirty (30) days but not more than sixty (60) days	11,099	3,860
- More than sixty (60) days but not more than one hundred and twenty (120) days	15,321	145,475
- More than one hundred and twenty (120) days	60,810	16,576
Total	87,230	165,911

In respect of trade and other receivables, the Association is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents (Note 3) is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The carrying amounts disclosed above are the Association's maximum possible credit risk exposure in relation to these instruments.

Liquidity risk analysis

Liquidity risk is that the Association might be unable to meet its obligations. The Association manages its liquidity needs by monitoring its forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored on week-to-week basis. Long-term liquidity needs for a 180-day period are identified monthly. Net cash requirements are monitored to determine if there is any need to draw down on amounts held in managed funds.

The Association considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Association's existing cash resources and trade receivables (see Note 4) significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

All trade and other payables included in Note 9 have contractual maturities within six months (2020: six months).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

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 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

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 2021 and 30 June 2020:

	Note	30 June 2021 \$	30 June 2020 \$
30 June 2021			
Assets			
Investment in managed funds	17(i)	1,506,375	1,506,375
Net fair value		<u>1,506,375</u>	<u>1,506,375</u>
30 June 2020			
Assets			
Investment in managed funds	17(i)	1,353,666	1,353,666
Net fair value		<u>1,353,666</u>	<u>1,353,666</u>

(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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

NOTE 19: POST-REPORTING DATE EVENTS

COVID-19

Since the end of the financial year, various states of Australia have experienced further lock-down restrictions due to the COVID-19 pandemic. The board and management made the decision on 2 July 2021 to cancel the face-to-face conference which was due to be held on 30 August - 2 September, and will continue to assess the impact of COVID-19 on the Association. 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 further 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 operations, or state of affairs of the Association in future years.

NOTE 20: MEMBERS' GUARANTEE

The RCSA is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Entity 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 2021 the total amount that members of the Company are liable to contribute if the Company is wound up is \$70,600 (2020: \$73,500).

NOTE 21: ASSOCIATION DETAILS

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

Suite 2, Level 9
500 Collins Street
Melbourne, Victoria 3000

Director's Declaration

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

- a. The consolidated financial statements and notes of The Recruitment, Consulting and Staffing Association Limited are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012*,
 - a. giving a true and fair view of its financial position at 30 June 2021 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 Limited 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 1st day of September 2021
Melbourne, Victoria



—
Daniel
Allison
& Associates

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Independent Auditor's Report to the members of The Recruitment, Consulting & Staffing Association Limited

Opinion

We have audited the financial report of The Recruitment, Consulting & Staffing Association Limited (and its subsidiaries) (the Association or Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in members' funds, and the consolidated 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 accompanying financial report of The Recruitment, Consulting & Staffing Association Limited has been prepared in accordance with Division 60 the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- 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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not for- profits Commission Act 2012* (ACNC Act) and 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.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



—
Daniel
Allison
& Associates

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Responsibilities of the Directors and Those Charged with Governance for the Financial Report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 ability Group'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 management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Association'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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Group'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 Group to cease to continue as a going concern.



Auditor's Responsibilities for the Audit of the financial report (continued)

- 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 those charged with governance 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.

Daniel Allison & Associates Assurance

DANIEL ALLISON & ASSOCIATES ASSURANCE
Chartered Accountants

A handwritten signature in black ink, which appears to read "Paul Carr", is positioned above the printed name.

Paul Carr
Partner
1 September 2021



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

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