

2023

ANNUAL REPORT



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President's Report

Permit me a moment of indulgence and sentimentality.

The President's Report typically focuses on the last financial year, as is appropriate in an Annual Report, and then to the future. As I approach the end of my maximum board term and tenure with the RCSA councils and board to make way for renewal and regrowth, I'd like to reflect on a longer timeframe before we look to the future.

I've been involved with RCSA for nearly 15 years, initially with the establishment of the PEARL Mentoring Program, then through the NSW & ACT Councils, and then on the board. For the last four years, I have had the honour of being President and Chair.

Standing on the shoulders of giants who had already achieved so much, I couldn't be prouder of what RCSA has done, particularly in the last couple of years as we've adapted to so many changing circumstances. We have survived and thrived through a pandemic, changes in government and legislation at both a state and federal level and are increasingly adding to the ways in which we meet our purpose of improving lives and economies.

Pathways to professionalism have never been more bountiful. Earlier this year – in an Australian first – we saw Deakin University introduce a Major in Recruitment and Talent Acquisition to its Undergraduate Business Degree. The content and concept were pulled together in collaboration with RCSA along with a post Graduate Certificate of Recruitment and Talent acquisition.

We have also seen the uptake for the Recruitment and Staffing Certificate (RCC) skyrocket and its content revitalised to provide the essential knowledge, skills and best practice principles needed to thrive in our industry.

Pleasingly, the desire for professionalism and drive for ethical behaviour within our membership base is becoming increasingly evident with an uptick of members completing the Code of Professional Conduct.

Community engagement continues to strengthen through the variety of channels available to RCSA members including roundtable events, think tanks and webinars. The icing on the cake this year was the SHAPE Conference on Hamilton Island where we saw around 320 members from both Australia and New Zealand come together to learn, grow and network.

RCSA's mentoring and networking-based programs like PEARL, NEST and the TEN and the TON continue to grow in popularity, highlighting the value placed on growth and collaboration by members. Learning from each other by problem solving and sharing visions in a safe and professional environment not only promotes better practice but creates exceptional industry leaders.

The Advocacy team have been working exceptionally hard fighting against the most significant wave of workplace relation law reforms ever seen in Australia. Same Job Same Pay Law, National Labour Hire Licensing, 'Employee Like' Work Laws and restrictions on Casual Employment all come together to make doing business in the industry less certain. RCSA has had significant media traction in its fight against the reforms, but we have a long way to go.

In Aotearoa, we saw the incredible mobilisation of our membership in a response to the All of Government External Recruitment Services tender which required strong RCSA advocacy to government as it moved to impose a radical new model for staffing acquisition with zero industry consultation. Through the power of our collective membership and industry leadership, we saw significant concessions and amendments.

RCSA has never been in a more financial position with another strong surplus giving us the freedom to invest for purpose and explore new strategic initiatives. The Surge Workforce Program has driven not just strong commercial results for RCSA and participating agencies, but also played a critical role in filling aged care workforce shortages throughout the period of COVID. We are extremely proud of our industry's response during this crisis. As we move into post-COVID economic conditions, we are further exploring new programs and initiatives to support and enable better business for our industry.

President's Report

Through learning, development, networking and advocacy channels we have been able to add value to you, our members, our partners and our community, by promoting and protecting the industry creating better business enablement, building pathways to professionalism and establishing multiple ways in which you can collaborate and celebrate. The successes we have achieved is down to the RCS A-Team. Charles at the helm, with an outstanding executive team and every person contributing. It has been a pleasure to work with you all.

As we look to the future, I'm excited to hand over the reins on two significant strategic initiatives this year.

1. MEMBERSHIP FIT FOR THE FUTURE

This new strategic initiative for 2023-2026 is designed to future proof the Association to ensure it's well positioned to meet the needs of a changing industry. RCSA is concentrating on growing our industry's voice by exploring adjacent markets and looking into the potential of expanding to new and emerging markets. We are asking ourselves what our membership stands for and exploring how we bring people together into the community and looking at what good business looks like, including what it means to be a professional.

2. COMMERCIAL GROWTH FOR GREATER PURPOSE

Building on our previous ongoing commitment "Surplus for Purpose" is our 'next stage' strategic initiative, "Commercial Growth for Greater Purpose".

The first piece of work completed for the initiative was the creation of a Commercial Opportunities Assessment Framework.

The Framework provides the three stage-gates commercial opportunities must pass through to be supported by RCSA.

1. **Stage-gate One:** Opportunity Screen (completed by investment team – PCG)
2. **Stage-gate Two:** Investment Screen (completed by appointed Investment Committees)
3. **Stage-gate Three:** Board Review

Next steps for the strategic initiative include:

- The creation of an Investment Thesis which will define RCSA's strategy and goals in the commercial opportunities space.
- The formation of a new corporate entity under RCSA control as a vehicle to attract, engage with, and manage venture investment opportunities.

I am often asked how much of my time being President & Chair takes up and if it is worth it. I can tell you that any time I put in, I get back tenfold in terms of the benefits. This is true of membership too. The more you put into RCSA the more you get back. The learning and growth opportunities RCSA gives both individuals and organisations can't be over-stated. The networks I've built, and the knowledge and understanding of the political landscape in which we play have all helped me shape a better business and contribute more broadly to the communities in which I am involved day-to-day. I couldn't be prouder to be a member of RCSA and can't wait to see what the coming years bring.

Nina Mapson Bone FRCSA
RCSA President



CEO's Report

Being Chief Executive Officer of an association that helps professionals and businesses grow, learn, network, and celebrate is an honour. It has been gratifying to reflect on the last financial year and recognise the growth we have achieved at RCSA, both as an association and a community.

I'm happy to report that we have enjoyed another strong financial result. For the 2023 financial year we achieved an operating profit of \$207k and Corporate Membership renewals have exceeded the budget, which reflects the great trust and value our Members see in being part of the RCSA community.

Financial success enables the association to take risks and be louder, but it's just one piece of the pie. The RCSA Team have had some huge wins on a variety of fronts over the past twelve months by working tirelessly, every day, to advocate for and support our membership base. Very importantly, RCSA successfully renewed our partnership agreement with Prime Super and the RCSA Insurance Partnership with Ardrossan/Honan Insurance Brokers. We would be a shadow of ourselves without the support of all our partners who support us in so many ways.

2023 saw growth in the major events space. Across the board we saw an increase in attendance at Talent X, the Industry Awards nights and SHAPE. Particularly pleasing was the great support for SHAPE New Zealand during the financial year. It's always a highlight to see our members get together, network and collaborate. It's what makes RCSA feel like a community rather than an association.

Our Learning and Development offering is growing and improving. Our New Zealand membership base may be smaller but almost 50% of the total member spend in Learning and Development came from Aotearoa. Wins over the past financial year include our involvement in helping Deakin University add both a Major in Recruitment and a Post Graduate Certificate to its business school. We also launched NEST, a networking program for new recruiters as part of our continued focus on the development of the next generation.

I'd like to thank our members for their engagement and continued support in our Advocacy efforts. Our team may be relatively small in size but it's big on action. In Australia we have been advocating tirelessly on behalf of the industry against the proposed industrial relations changes by the Commonwealth Government. Through hard work and perseverance, we have developed strong relationships with key cross bench senators and participated in extensive consultation and submission processes while the legislation developed. This is a fight that's not over and we continue to work collaboratively with other business representatives in our campaign against the reforms.

I was also extremely proud of the work we did in New Zealand, to ensure the New Zealand All of Government contract, for recruitment, was amended to deliver great results for both clients and our Members as suppliers. This was Member power at its finest.

At the end of last year RCSA was able to appoint an in-house Media and Communications Specialist to focus on giving RCSA a public voice on matters of concern to the industry, whether that be IR reforms or the labour market in general. The appointment has also enabled us to further promote our Job's Report across both countries and create a values campaign to promote the industry and our members.

There is so much I could say about the staff at RCSA. Each team member turns up to work every day with their A-game on, ready to make a difference. That drive is only fuelled by the relationships we have with our Members. We are proud to represent each of you and it is a responsibility we take very seriously.

I would like to acknowledge the vast, committed, volunteers that make RCSA the find association it is today. Each volunteer, from the Board through to Working Groups allow us to shine. In particular I would like to thank our President, Nina Mapson Bone, who has supported me and the Board so well over the past four years. Nina has been a great representation of the new RCSA brand, and we will miss her influence as she completes of her final term in November. #loveyourwork Nina.

As I look back on the last financial year, and forward into the future, I am confident RCSA, as a community, will continue to thrive and grow. Our challenge is to support each other through change, and there is plenty on the horizon. Legislative, Technological, Economic. We are better together.

Charles Cameron
RCSA CEO

Partners

RCSA would like to thank its 2022/2023 Supporters without which many programs, events and activities would not be possible.



OUR PURPOSE

To **improve lives** and economies by empowering the RCSA community to **lead** in the **world of work**

OUR FOUNDATIONS FOR SUCCESS

01

Lead with Talent

02

Compelling Member Engagement

03

Leadership and Vision

04

Invest in the Next Generation

05

Surplus for Purpose



OUR VALUE PROPOSITION

Promote & Protect the Industry



Business Enablement



Pathways to Professionalism



Networking & Celebration



OUR STRATEGIC INITIATIVES

Membership Fit for the Future

Commercial Growth for Greater Purpose

Board of Directors



PRESIDENT

Nina Mapson Bone FRCSA

Managing Director
Beaumont People



VICE PRESIDENT

Ian McPherson FRCSA (Life)

Director
Enterprise Recruitment



VICE PRESIDENT

Penny O'Reilly MRCSA

Managing Director
ManpowerGroup



FINANCE DIRECTOR

Matthew Sampson MRCSA

Managing Director
Aspect Personnel



DIRECTOR

Erin Devlin FRCSA

Managing Director
people2people Recruitment
Victoria



DIRECTOR

Tara Staritski MRCSA

Managing Director
SWITCH Education

Board of Directors



DIRECTOR

Matt Iustini MRCSA

CEO
Technical Resources



DIRECTOR

Natasha Olsson-Seeto FRCSA

Chief Executive
OnTalent



DIRECTOR

Corrine Taylor FRCSA

Managing Director
CTBC



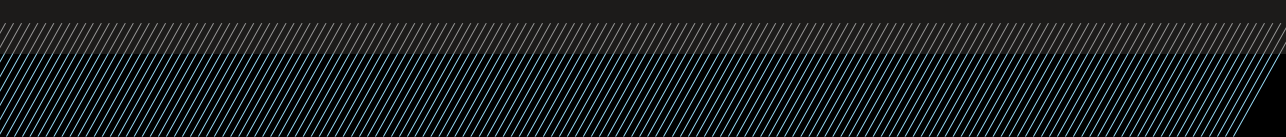
CEO

Charles Cameron

CEO
RCSA



Financial Report for the year ended 30 June 2023



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 2023.

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
- **J Walton** (resigned 20 November 2022)
- **N Olsson-Seeton** FRCSA
- **C Taylor** FRCSA
- **M Iustini** MRCSA
- **T Staritski** MRCSA (appointed 30 November 2022)
- **R Thompson** APRSCSA (resigned 22 June 2023)

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 were to promote excellence, enterprise and integrity of all Members and of individuals engaged by their business, and to improve their knowledge and skill with respect to their responsibilities, duties and rights.

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 \$156,366 (2022: \$563,561).

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 2023.

During the year ended 30 June 2023, RCSA maintained a strong alignment with its strategy and purpose, with ongoing growth of community and influence. This final year of the three-year strategy to 2023 has been strong and uniting.

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 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 pursuing 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 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, with an increasing focus on commercial opportunities;
- Refining, developing and promoting a market competitive learning and development service offering; and
- Expanding our events and networking opportunities across the industry and introducing professionals responsible for talent acquisition and management.

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 creating the capacity to 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; and
- Attract, grow and retain our next generation of professionals and business leaders across the recruitment, staffing and workforce solutions industry.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year ended 30 June 2023 there were changes to the state of affairs as follows:

More influential advocacy and policy leadership;

Improved member engagement strategy, delivering improved member retention;

New opportunities to invest in purpose-aligned businesses to improve the market; and

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

AFTER BALANCE DATE EVENTS

In August 2023 the Association signed a new lease with the landlord over the head office in Melbourne. The lease term is for three years and there are fixed increases in the lease payments for the life of the lease. Future lease payments of \$316,485 will be included as lease liabilities from that date.

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

CONTRIBUTION IN WINDING UP

The RCSA is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the RCSA is wound up, the constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations. At 30 June 2023 the total amount that members of the entity are liable to contribute if the entity is wound up is \$70,900 (2022: \$71,750).

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.

DIRECTORS' REPORT CONTINUED

INFORMATION ON DIRECTORS

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.

Director:	Nina Mapson Bone FRCSA	Director:	Ross Thompson APRCSA
Qualifications:	MA (Hons)	Qualifications:	-
Experience:	21 years recruitment industry, 13 years sales in UK, Europe, USA and Australia	Experience:	13 years recruitment experience including 2 in payroll services, and 25 years in business development
Special Responsibilities:	RCSA President, Chair of Executive Committee	Special Responsibilities:	Former Director, Former Member of Audit & Risk Committee, Former Member of Memberships
Director:	Penelope O'Reilly MRCSA	Director:	Ian McPherson FRCSA
Qualifications:	Bachelor of Business	Qualifications:	-
Experience:	24 years in recruitment, 30 years in leadership roles	Experience:	29 years in recruitment industry
Special Responsibilities:	RCSA Vice President, Member of Executive Committee, Chair of Remuneration & Nominations Committee, Former Chair of Membership Committee	Special Responsibilities:	RCSA Vice President, Member of Executive Committee, Member of Audit & Risk Committee, Chair of Partnerships & Commercial Growth Committee
Director:	Natasha Olsson-Seeto FRCSA	Director:	Matthew Sampson MRCSA
Qualifications:	Graduate Certificate in Gastronomic Tourism	Qualifications:	Bachelor of Commerce
Experience:	27 years industry experience in Global organisations including 8 years in 'Big 4'	Experience:	16 years in recruitment
Special Responsibilities:	Director, Member of Audit & Risk Committee, Member of Remuneration & Nominations Committee	Special Responsibilities:	RCSA Finance Director, Member of Executive Committee, Chair of Audit & Risk Committee, Member of Partnership & Commercial Growth Committee
Director:	Erin Devlin MRCSA	Director:	Corrine Taylor, FRCSA
Qualifications:	Graduate Certificate of Business Graduate of the Australian Institute of Company Directors	Qualifications:	Diploma of Management
Experience:	17 years recruitment industry, 13 years leadership experience and 13 years Director and Board experience	Experience:	Over 23 years experience in the health recruitment industry
Special Responsibilities:	Director, Member of Memberships Committee	Special Responsibilities:	Director representing member Groups ANRA and AMRANZ, Chair of Membership Committee, Chair of AMRANZ
Director:	Tara Staritski MRCSA	Director:	Matthew Iustini MRCSA
Qualifications:	Diploma of Human Resources Management, Bachelor of Teaching, Bachelor of Education	Qualifications:	Bachelor of Commerce
Experience:	19 years in the recruitment industry, 18 years in recruitment leadership and 9 years of education experience, including 3 years in Education Leadership roles	Experience:	22 years recruitment experience, 3 in UK and 19 in Australia
Special Responsibilities:	Director, Member of Remuneration & Nominations Committee, Member of Memberships Committee	Special Responsibilities:	Director, Member of Partnership & Commercial Growth Committee
		Director:	Jodi Walton
		Qualifications:	AHRI (Certified Practitioner Human Resources) and Lean Management Practitioner
		Experience:	22 years in recruitment
		Special Responsibilities:	Former Director, Former Member of Remuneration & Nominations Committee, Former Member of Membership Committee

DIRECTORS' REPORT CONTINUED

MEETING OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Board of Directors	Executive Committee Meetings	Audit & Risk Committee	Remuneration & Nominations Committee	Membership Committee	Partnership & Commercial Growth Committee
N Mapson Bone	5 of 5	6 of 7	-	1 of 1	-	-
I McPherson	5 of 5	6 of 7	3 of 4	-	-	7 of 7
P O'Reilly	4 of 5	6 of 7	-	4 of 4	-	-
M Sampson	5 of 5	5 of 7	4 of 4	-	-	7 of 7
N Olsson-Seeto	5 of 5	-	4 of 4	4 of 4	-	-
C Taylor	5 of 5	-	-	-	4 of 4	-
E Devlin	5 of 5	-	-	-	4 of 4	-
M Iustini	5 of 5	-	-	-	-	6 of 7
T Staritski	3 of 5	-	-	1 of 1	2 of 2	-
R Thompson	5 of 5	-	2 of 4	-	4 of 4	-
J Walton	2 of 2	-	-	2 of 2	2 of 2	-

DIRECTORS' REPORT CONTINUED

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL REGULATION

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 proceeding 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
President



Matthew Sampson MRCSA
Director

Dated this 28th day of August 2023
Hamilton Island, Queensland



—
Daniel
Allison
& Associates

Invested
in your
future.

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

28 August 2023

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 2023, 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 2023

	Note	30 June 2023 \$	30 June 2022 \$
Revenue	2	7,475,508	6,365,807
Salaries and employee benefits expense	10(a)	(3,712,296)	(3,358,928)
Membership services and representation expenses		(673,091)	(679,522)
Learning and development expenses		(151,752)	(161,390)
Event and functions expenses		(689,382)	(503,142)
Conference expenses		(733,795)	(22,686)
Fee for service expenses		(163,426)	(157,293)
Marketing expenses		(201,705)	(283,769)
Depreciation expense		(213,086)	(150,856)
Computer expenses		(194,808)	(152,786)
Office and administration expenses		(452,183)	(214,695)
Occupancy expenses		(133,618)	(117,179)
Surplus before income tax expense		<u>156,366</u>	<u>563,561</u>
Income tax expense		-	-
Surplus for the year		<u><u>156,366</u></u>	<u><u>563,561</u></u>
Other comprehensive income for the year, net of income tax		212	2,004
Total comprehensive income for the year		<u><u>156,578</u></u>	<u><u>565,565</u></u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents	3	3,269,697	3,493,161
Trade and other receivables	4	219,730	319,463
Other assets	5	714,606	411,000
Total current assets		<u>4,204,033</u>	<u>4,223,624</u>
Non-current assets			
Financial assets at fair value through profit or loss	6	1,935,470	1,830,223
Plant and equipment	7	250,262	257,125
Right-of-use assets	8	25,981	129,906
Other assets	5	-	82,563
Total non-current assets		<u>2,211,713</u>	<u>2,299,817</u>
Total assets		<u>6,415,746</u>	<u>6,523,441</u>
Current liabilities			
Trade and other payables	9	556,733	653,521
Employee benefits	10	285,340	235,828
Deferred income	11	2,253,438	2,338,687
Lease liabilities	8	32,972	128,256
Total current liabilities		<u>3,128,483</u>	<u>3,356,292</u>
Non-current liabilities			
Employee benefits	10	82,229	85,721
Lease liabilities	8	-	32,972
Total non-current liabilities		<u>82,229</u>	<u>118,693</u>
Total liabilities		<u>3,210,712</u>	<u>3,474,985</u>
Net assets		<u>3,205,034</u>	<u>3,048,456</u>
Members' Funds			
Retained profits		3,220,142	3,063,776
Foreign currency translation reserve		(15,108)	(15,320)
Total Members' Funds		<u>3,205,034</u>	<u>3,048,456</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

As at ended 30 June 2023

	Retained profits \$	Foreign currency translation reserve \$	Total Members' Funds \$
Total members funds at 1 July 2021	2,500,215	(17,324)	2,482,891
Profit for the year	563,561	-	563,561
Foreign currency translation	-	2,004	2,004
Total comprehensive income for the year	563,561	2,004	565,565
Total members' funds at 30 June 2022	3,063,776	(15,320)	3,048,456
Total members funds at 1 July 2022	3,063,776	(15,320)	3,048,456
Profit for the year	156,366	-	156,366
Foreign currency translation	-	212	212
Total comprehensive income for the year	156,366	212	156,578
Total members' funds at 30 June 2023	3,220,142	(15,108)	3,205,034

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
Cash flow from operating activities			
Receipts from membership subscriptions, events and workshops		8,115,560	7,262,259
Payment to suppliers and employees		(8,131,949)	(6,273,563)
Interest, dividends and distributions received		19,042	4,902
Interest paid on lease liability		(3,096)	(6,805)
Net cash provided by operating activities	13	(443)	986,793
Cash flow from investing activities			
Purchase of plant and equipment		(102,960)	(211,552)
Purchase of financial assets		-	(500,000)
Proceeds from disposal of plant and equipment		-	302
Withdrawal of funds from financial assets		1,367	1,188
Net cash used in investing activities		(101,593)	(710,062)
Cash flow from financing activities			
Principal component of lease payments		(128,256)	(119,799)
Net cash used in financing activities		(128,256)	(119,799)
Net increase in cash held		(230,292)	156,932
Cash and cash equivalents at beginning of the financial year		3,493,161	3,344,139
Exchange difference on cash and cash equivalents		6,828	(7,910)
Cash and cash equivalents at the end of the financial year	3	3,269,697	3,493,161

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

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, with a division in New Zealand ("NZ"). The Recruitment, Consulting & Staffing Association Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The parent and ultimate parent company is The Recruitment, Consulting & Staffing Association Limited ("Parent Entity").

The principal activities of the Association during the financial year were to promote excellence, enterprise, and integrity of all Members and of individuals engaged by their business, and to improve their knowledge and skill with respect to their responsibilities, duties and rights.

The Association's principal place of business and registered office is Suite 2, Level 9, 500 Collins St, Melbourne VIC 3000, Australia.

The consolidated financial statements for the year ended 30 June 2023 were approved and authorised for issue by the directors on 28 August 2023.

Basis of preparation

This financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards – Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial statements have been prepared on the basis of historical cost as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The functional and presentation currency of the Association is Australian dollars.

Rounding

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar, except when otherwise indicated under the option available to the Association under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Association is an entity to which this legislative instrument applies.

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 branch as of 30 June 2023. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

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.

(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) Income tax

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

(g) 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.

(h) Plant and 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.

(i) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(j) Impairment of non-financial assets

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.

(k) 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.

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.

(l) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's

incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(m) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

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.

(n) 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(o) Comparative figures

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

(p) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Key estimates

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in the notes above, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future 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.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(q) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2023. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
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		2,184,784	1,953,988
- learning and development		431,392	315,488
- events and functions		349,754	369,252
- conferences		737,165	-
- fee for service income		1,690,898	2,207,459
- sponsors and commissions		1,903,594	1,680,805
- member contributions and grants for special membership projects		65,573	493
	2(a)	7,363,160	6,527,485
Other revenue			
Investment income			
- interests		6,525	13,400
- dividends		18,443	39,063
- other investment income / (losses in movement of investments)		87,244	(216,046)
Other revenue – other persons		136	1,905
		112,348	(161,678)
Total revenue		7,475,508	6,365,807
(a) Revenue by timing of revenue recognition			
- Revenue recognised over time		3,324,313	3,199,168
- Revenue recognised at a point in time		4,038,847	3,328,317
Total revenue from contracts with customers		7,363,160	6,527,485
NOTE 3 – CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of the following:			
Cash on hand		500	500
Cash at bank		3,269,197	3,492,661
	3(a), 16	3,269,697	3,493,161
(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		3,269,697	3,493,161

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
NOTE 4 – TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables		71,059	41,674
Other receivables		148,671	277,789
	16	219,730	319,463

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. No trade receivables were found to be impaired so no allowance for credit losses has been recorded.

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.

NOTE 5 – OTHER ASSETS

Current

Prepayments	610,243	407,700
Security deposits	85,863	3,300
Other assets	18,500	-
	714,606	411,000

Non-current

Security deposit	-	82,563
	-	82,563

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

Financial assets at fair value through profit or loss \$1,935,470 (2022: \$1,830,223) 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 2023

NOTE 7 – PLANT AND EQUIPMENT

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

	Furniture & fittings \$	Computer equipment & software \$	Total \$
<i>Cost</i>			
Balance 1 July 2022	34,171	335,011	369,182
Exchange rate adj. in opening balance	-	66	66
Additions	-	102,960	102,960
Disposals	-	(17,139)	(17,139)
Balance 30 June 2023	34,171	420,898	455,069
<i>Depreciation and impairment</i>			
Balance 1 July 2022	(25,523)	(86,534)	(112,057)
Exchange rate adj. in opening balance	-	(22)	(22)
Disposals	-	16,438	16,438
Depreciation	(6,059)	(103,107)	(109,166)
Balance 30 June 2023	(31,582)	(173,225)	(204,807)
Carrying amount at 30 June 2023	2,589	247,673	250,262
<i>Cost</i>			
Balance 1 July 2021	34,415	243,460	277,875
Exchange rate adj. in opening balance	-	(93)	(93)
Additions	681	210,871	211,552
Disposals	(925)	(119,227)	(120,152)
Balance 30 June 2022	34,171	335,011	369,182
<i>Depreciation and impairment</i>			
Balance 1 July 2021	(20,029)	(163,868)	(183,897)
Exchange rate adj. in opening balance	-	-	-
Disposals	649	118,076	118,725
Depreciation	(6,143)	(40,742)	(46,885)
Balance 30 June 2022	(25,523)	(86,534)	(112,057)
Carrying amount at 30 June 2022	8,648	248,477	257,125

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 2023		
Balance at the beginning of the year	129,906	129,906
Depreciation charge	(103,925)	(103,925)
Balance at the end of the year	<u>25,981</u>	<u>25,981</u>
Year ended 30 June 2022		
Balance at the beginning of the year	233,831	233,831
Depreciation charge	(103,925)	(103,925)
Balance at the end of the year	<u>129,906</u>	<u>129,906</u>

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 will not be extending the current lease. A new lease was signed with the landlord for 3 years in August 2023 and future lease payments of \$316,485 will be included as lease liabilities from that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 8 – LEASES (CONT.)

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 2023 \$	30 June 2022 \$
Interest expense on lease liabilities	3,096	6,805
Expenses relating to leases of low-value assets	50,640	44,640
	<u>53,736</u>	<u>51,445</u>

Statement of Cash Flows

Total cash outflow for leases	<u>181,992</u>	<u>171,244</u>
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Lease liabilities

Maturity analysis - contractual undiscounted cashflows

Less than one year	33,137	131,352
One to five years	-	33,137
More than five years	-	-
Total undiscounted lease liabilities at 30 June	<u>33,137</u>	<u>164,489</u>

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

Current	32,972	128,256
Non-current	-	32,972
Total lease liabilities	<u>32,972</u>	<u>161,228</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	30 June 2023 \$	30 June 2022 \$
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NOTE 9 – TRADE AND OTHER PAYABLES

Current

Trade payables	51,694	81,292
Other creditors & accruals	505,039	572,229
	<u>556,733</u>	<u>653,521</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	3,210,159	2,919,981
- Workers compensation insurance	17,395	13,840
- Payroll tax	90,965	71,106
- Superannuation	236,246	188,171
- Employee benefits expenses	43,007	63,520
- Other employment expenses	114,524	102,310
	<u>3,712,296</u>	<u>3,358,928</u>

(b) Employee benefits

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

Current

Annual leave	212,208	215,341
Long service leave	73,132	20,487
	<u>285,340</u>	<u>235,828</u>

Non-Current

Long service leave	82,229	85,721
	<u>82,229</u>	<u>85,721</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
NOTE 11 – DEFERRED INCOME			
Current			
Conference income received in advance		455,162	433,458
Subscriptions received in advance		1,150,931	1,075,566
Sponsorship income received in advance		185,045	249,396
Other income received in advance	11(a)	100,503	218,470
Amounts held for government projects		361,797	361,797
		2,253,438	2,338,687

(a) 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

- Daniel Allison & Associates Assurance	23,945	20,500
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NOTE 13 – RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

Cash flow from operating activities

Net surplus for the period	156,366	563,561
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Non cash items in operating surplus:

Depreciation and amortisation	213,086	150,856
Net foreign exchange gain / (loss)	(6,657)	9,914
Loss on disposal of assets	701	1,220
Unrealised (gain) / loss on FVPL assets	(115,716)	203,386
Provision for impairment of debtors	-	(8,550)

Net changes in working capital

Change in receivables and other assets	(112,206)	(119,322)
Change in trade, other payables and deferred income	(182,037)	123,097
Change in provisions	46,020	62,631
Net cash flow from operating activities	(443)	986,793

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 2023 \$	30 June 2022 \$
Transactions with related parties		
The following fees were charged to the Association by entities related to the directors of the Board:		
<i>Consultants fees charged from:</i>		
- Beaumont Consulting Pty Ltd	12,187	-
- Ctaylor Business Consulting Pty Ltd	-	5,100
- OnTalent Pty Ltd	8,800	4,400
- people2people recruitment (Victoria) Pty Ltd	563,228	525,952
- Togethr 2020 Limited (to 18 November 2021)	-	13,560
	<u>584,215</u>	<u>549,012</u>

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 and the Executive Leadership Team of the Association. Key management personnel remuneration included the following expenses:

- Short-term employee benefits	1,217,418	1,149,943
- Long-term benefits	102,193	91,032
Total remuneration	<u>1,319,611</u>	<u>1,240,975</u>

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 2023

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 2023, 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 +/- 1.00% (2022: +/-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 2023 (2022: 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 \$194,000 (2022: \$183,000). 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:

	Note	30 June 2023 \$	30 June 2022 \$
Classes of financial assets			
Carrying amounts:			
- cash and cash equivalents	3	3,269,697	3,493,161
- trade and other receivables	4	219,730	319,463
		<u>3,489,427</u>	<u>3,812,624</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 16 – FINANCIAL INSTRUMENT RISK (CONT.)

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.

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:

	Note	30 June 2023 \$	30 June 2022 \$
Gross amount	4	219,730	319,463
- Not more than 30 days		-	-
- More than thirty (30) days but not more than sixty (60) days		11,743	11,012
- More than sixty (60) days but not more than one hundred and twenty (120) days		5,178	2,074
- More than one hundred and twenty (120) days		883	3,715
Total		17,804	16,801

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 analyzing 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 Associations' 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 (2022: six months).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 2023 and 30 June 2022:

	Note	Level 1 \$	Total \$
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 2023 and 30 June 2022:			
30 June 2023			
Assets			
Investment in managed funds	17(i)	1,935,470	1,935,470
Net fair value		1,935,470	1,935,470
30 June 2022			
Assets			
Investment in managed funds	17(i)	1,830,223	1,830,223
Net fair value		1,830,223	1,830,223

(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 2023

NOTE 19 – POST-REPORTING DATE EVENTS

In August 2023 the Association signed a new lease with the landlord over the head office in Melbourne. The lease term is for three years and there are fixed increases in the lease payments for the life of the lease. Future lease payments of \$316,485 will be included as lease liabilities from that date.

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

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 2023 the total amount that members of the Company are liable to contribute if the Company is wound up is \$70,900 (2022: \$71,750).

Directors' 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*, including:
 - (a) giving a true and fair view of its financial position at 30 June 2023 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 the y become due and payable.

Signed in accordance with a resolution of the Board of Directors



Nina Mapson Bone FRCSA
President



Matthew Sampson MRCSA
Director

Dates this 28th Day of August 2023
Hamilton Island, Queensland



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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 2023, 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 2023 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 2022*.

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 (including Independence Standards)* (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 2023 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.

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.



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Allison
& Associates

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

- 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.
- 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.

Independence

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Group, would be in the same terms if given to the directors as time of this auditor's report.

Daniel Allison & Associates Assurance

DANIEL ALLISON & ASSOCIATES ASSURANCE
Chartered Accountants

Paul Carr
Partner
28 August 2023



The Recruitment, Consulting & Staffing Association Limited
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