



AGM 2021



DIRECT SELLING
AUSTRALIA

Contents



- 02** Notice of AGM
- 03** Chairperson Address
- 06** CEO Update
- 09** DSA Sub-Committees
- 10** Market Update
- 14** Board of Directors
- 15** Chairs & Life Members
- 16** DSA Members
- 17** DSA Suppliers
- 18** Code Report 2021
- 20** 2020 Financial Report

Notice of Annual General Meeting 2021

Notice is given that the 54th Annual General Meeting of Direct Selling Australia Limited will be held on Thursday 15 July 2021 commencing at 2pm AEST.

We look forward to welcoming you at DSA's upcoming 54th Annual General Meeting at 2:00 pm AEST on Thursday 15th July 2021. This meeting will be held remotely by zoom and in person at DSA offices: Level 16 / 175 Pitt Street Sydney

To assist with the functionality of this meeting, we would appreciate members registering their attendance by 4.30pm AEST on Monday, 12 July 2021.

Ordinary Business Of The Meeting

1. Chair's Welcome;
2. Apologies & Attendance;
3. To confirm the minutes of 53rd Annual General Meeting held in June 2020 and of any general meeting held since that meeting;
4. Questions to directors and/or the auditor;
5. To receive and consider the following for the year ending 31 March 2021:
 - a. Directors' Report
 - b. Financial Statements - Audited Balance Sheet, Profit and Loss Statement
 - c. Auditor's Report
6. To appoint the Auditor;
7. To confirm the Election of Directors;
8. General Business

By order of the Board of Directors

Adele Sutton

Adele Sutton
Company Secretary
24 June 2021

Chair Address



It has certainly been (another) interesting and challenging year.

When COVID hit our shores in March 2020, none of us had any idea what this would mean to our industry. Would we be able to survive? To adapt? To change? Looking back, we now know the answer is a resounding “Yes”. Not only did we survive, adapt and change, we thrived!

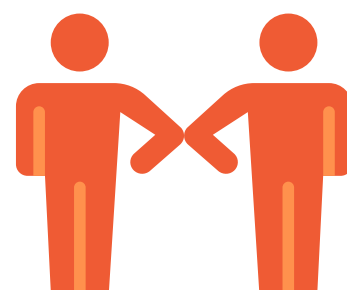
The past 12 months has brought faster change to our industry than anyone would have thought possible. I have loved watching the innovation that each member company demonstrated in adapting to COVID conditions and the resilience of all of our sellers as they continued to grow their business.

And resilience was certainly a necessary quality. State borders were closed and then opened. Cities were locked down and re-opened, only to be plunged into lock down again. It took a real toll, particularly in areas with multiple lock downs. The industry showed its resilience however, with 2020 setting record breaking sales for many members due to their ability to pivot to online sales, meetings and training.

Let me take a moment to reflect on some of the key accomplishments that occurred this year.

Covid-19

Your Board recognised the potential impact of the pandemic on our members early and tabled a resolution to waive member fees for 6 months. Our ability to do so was made possible by the strength of our financial reserves. While we are thankfully in a much better position at the end of the year than at the start, the Board and your CEO are continuing to monitor COVID impacts and will react as needed to protect our industry.



Monthly Webinars

Recognising a need to continue to stay connected and learn from each other, the DSA introduced RISE, a monthly webinar for all members and a Leadership Forum for company leaders. These monthly sessions were a welcome opportunity to connect, be informed and stay motivated and engaged.

Media Outreach

The DSA has always had a dual mission to promote and protect the channel. Given the great work that was going on in the industry and the COVID success stories, the Association decided that the time was right to invest in promotion of the channel. The Association did a short-term blitz campaign to share good news stories about how the channel has adapted, transitioned, innovated and responded to COVID19. While the campaign was small the Association intends to continue to look for ways to share positive and inspiring stories about the channel.

Constitution

With the change in 2019 to move the association to a new corporate governance structure, this necessitated a change to both our Constitution and our Code of Practice. This has now been completed, shared and accepted by the members and is in full effect following the Special General Meeting held in March 2021.

2021 Convergence Conference

There was a lot of uncertainty around if the 2021 conference would be able to go ahead. However, Gill and her team were determined to put on an event, recognising the members need to connect after such a long period. The hybrid model allowed virtual and in person attendance and was a perfect way to support our members who could not attend. It was a thoughtfully selected and well-rounded group of speakers who provided valuable insights, information and inspiration to us all.



Gill and Her Team

Your Board has enjoyed a happy and productive working relationship with our CEO, Gill Stapleton, and her outstanding team – Adele, Paul, and Lachlan who have served us all so well during a difficult year. We also want to thank Chelsea, Chong and Rhiannon for their contributions to the Association and who have moved on to other opportunities.

The DSA team was a steady beacon of support in a turbulent year. Providing guidance and communication around changes in the environment, hosting experts to address questions and leveraging our supplier members to keep our spirits up. I sincerely thank the team for all their efforts.

Your Board

We had a fresh influx of talent to the Board in June 2020, with several new members who brought great energy and ideas to the table. I would like to thank and recognise Phil Hobby for his service, who resigned from the Board in June 2020 and the 2020-2021 Board members that I've served with: Adrian Ryan - Vice Chair, Rochelle Potter, John Hobby, Paul Jones, Sinead Pollock, Peter Hurley, Heath Tully and Brian O'Callaghan. These board members give generously of their time and energy to support the association and our member companies. I am confident that we have done our very best to serve you, our members.

After eleven years in the industry and serving on the Board for 5 years as a board member, Vice Chair and Chair, I am leaving the board this year due to retirement. I would encourage each of you to consider nominating for the board as it adds a richness of industry experience that can benefit your own business. I wish the incoming Board every success and look forward to seeing the industry continue to adapt, grow and flourish in this new “normal”.

- Christine Terrill (Amway Australia)



CEO Update



In November 2019 DSA Members voted to accept the new Constitution with the principal purpose to protect, promote and serve. This was further updated at a Special General Meeting held virtually in March 2021 along with an updated Code of Practice. Following the commencement of the strategic review in the July 2020 board meeting, the DSA Board reviewed the definition of “promote” to determine the direction for the next 12 months and the investment in time and funds for this purpose.

“The Principal Purpose of the Company is to:

- (a) protect, promote and serve the interests of Members and the distributors of their Products;
- (b) protect and promote the Direct Selling channel in Australian retailing, including through self-regulation; and
- (c) ensure the marketing of Products and Direct Selling opportunities by Members and their distributors meet high levels of business ethics and customer protection and consumer satisfaction“.

The advocacy work performed by DSA, has a dual function in protecting and promoting the channel with every conversation reinforcing the channel and its benefits.

The DSA Board were very proactive with the onset of COVID and moved very quickly to offer Members and Supplier Members a 50% discount on the annual subscription fees for 2020-2021. This was well received by all and ensured that we did not lose any Members.

DSA reduced its operating budget accordingly and also reduced employment costs with a redundancy.

Cancelling all face-to-face events saw the DSA move to a virtual platform. DSA launched the monthly CEO and weekly Member webinar series with member engagement at an all-time high.

DSA offered 30 webinars, a Speaker Showcase, and an Awards show with over 1000 people participating, not counting our 10 CEO Forums. At least 13 of these webinars were hosted by internationally recognised speakers and thought leaders who offered their services to DSA for the benefit of our membership and through the generosity of Fenton Green and National Product Fulfilment the entirety of the webinar series cost less than \$2k and the Industry Awards was produced without cost.



The DSA hosted CEO webinar series was to support our leaders throughout this time. The success of both this event and the Members webinar, is seen by its continuation into 2021. DSA thank all of the presenters who helped to support Members through this time. Particular thanks to Australian Chamber of Commerce and Industries, Australian Small Business and Family Enterprise and the ATO, all of whom presented and supported our CEOs.

30+ Webinars
1000+ Viewers



Following the AGM held virtually in June 2020, 9 Directors were appointed under the regulations of ASIC. Under DSA's Constitution DSA Directors are appointed for a three-year term with a rotation system which results in three vacancies becoming available every year. DSA thanks its Board of Directors for its strong stewardship this past 12 months.

DSA would also like to thank the members of its two sub-committees, both of which were re convened this year. The Therapeutics sub-committee met virtually several times to assist with the strategic direction for the upcoming consultation on the proposed new TGA Advertising Code in 2021. The marketing sub-committee met to discuss the direction on how best to promote the channel following overall growth during the reporting period. DSA had not, to date engaged in straight PR aimed at external stakeholders.



2020 Industry Awards

A continued focus for the Board is a downward pressure on fees. DSA launched some new forms of membership that we hope will generate income overtime. The new market entrant service is designed with Potential Members in mind, wanting access to information and guidance from DSA in the set-up phase who will be charged an annual fee to include access to tools and information prior to the due diligence process.

The Direct Selling Senior Executive membership is for an individual Senior Executive formally working in the channel who wants to stay connected and receive up to date information.

In conjunction with increasing awareness and reputation, along with establishing the groundwork for future additional revenue streams, the “It’s All Next Door” campaign gained momentum through social media. The campaign aimed at the field of members and non-members alike across multiple social media platforms designed to educate, inspire and increase our reach into the direct selling community.

DSA were proud to say goodbye to Chelsea Thomson who had been with us for three years, as she found a promotion with a member company. We welcomed Lachlan Smith to the team in January.

The year has been one of challenge and celebration. We have certainly dealt with disruption on a daily basis and I feel proud to steer the association in a new direction with a platform that better serves its members.

This year’s financial performance has been favourable with the Association’s total equity at \$2,314M. The auditor has also issued a satisfactory and unqualified report.

DSA Team

Gillian Stapleton - Chief Executive Director

Adele Sutton - Head of Legal & Policy

Paul Seitz - Marketing & Communications Manager

Lachlan Smith - Marketing & Communications Co-Ordinator



#itsallnextdoor



DSA Sub-Committees

DSA Therapeutics Sub-Committee 2020:

- Chairperson - DSA Board Member, Peter Hurley - Herbalife Nutrition
- Kevin Lowe - Amway
- Lauren Boardman - Isagenix
- Allana Hinks - Modere
- Claire Martin - Supplier Member
- Nadine Baker - Advanced Wellness Regulatory
- Carl Gibson - CMA
- DSA - Adele Sutton & Gillian Stapleton



DSA Marketing Sub-Committee 2020:

- Chairperson - DSA Board Member, John Hobby - Nu Skin
- Kelly Whittle - The Body Shop at Home
- Uriel Lopez - Isagenix
- Irma Santucci - Rodan Field
- Melissa Amavisca - Arbonne
- Lisa Draganov - Amway
- Imelda Roche - Life Member
- DSA - Gillian Stapleton & Paul Seitz

Market Update



COVID-19

Throughout 2020, DSA engaged with government and the Australian Chamber of Commerce and relevant state authorities to understand the potential impact of COVID-19 restrictions on members and direct sellers. For example, DSA participated on a regular basis on the ATO's Small Business Stewardship Group in respect of the implementation of the JobKeeper program and other relevant tax relief measures applicable to small business.

Australian Consumer Law - Unfair Contract Terms

On 6 November 2020, Commonwealth and state and territory consumer affairs ministers agreed to strengthen the existing unfair contract term protections in the Australian Consumer Law. Key reforms include:

- Making unfair contract terms unlawful and giving courts the power to impose a civil penalty
- Increasing eligibility for the protections by expanding the definition of small business and removing the requirement for a contract to be below a certain threshold
- Improving clarity on when the protections apply, including on what is a 'standard form contract'.

These reforms will help reduce the prevalence of unfair contract terms in standard form contracts, and improve consumer and small business confidence when entering into contracts.



We now will await Treasury developing an exposure draft legislation, which will provide a further opportunity for stakeholders like DSA to comment on the detail of the reforms on your behalf.

TGA

In 2018, the Hon Greg Hunt MP, Minister for Health, committed to a review of the impact of the new therapeutic goods advertising measures within two years from the commencement of the changes to the Therapeutic Goods

Act 1989 to support these measures. In 2020, Ms. Rosemary Sinclair AM led a review of the impact of the therapeutic goods advertising measures introduced in 2018. DSA participated in this consultation. The Australian Government has accepted all 22 recommendations in Ms. Sinclair's report and the TGA indicated that a public review of proposals would commence in mid-2021. DSA worked diligently throughout the year with other aligned stakeholders and members to ensure that the issue of testimonials for direct sellers remained front of mind in any proposals to amend the Advertising Code.

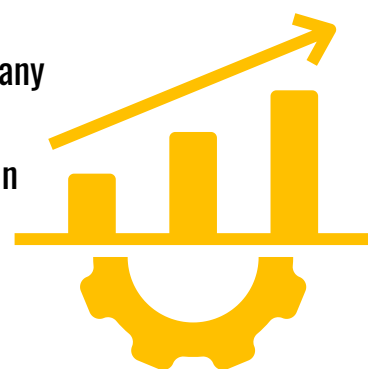


Member Performance

The 2020 annual Direct Selling Australia Member Survey was conducted on behalf of Direct Selling Australia (DSA) in January 2021 by Survey Matters following the continued success of employing an external provider to collect the data, and saw further increase in participation. The purpose of the survey is not only to provide the World Federation of Direct Selling Association (WFDSA) with data for its global report but also to use for advocacy and promotion of the channel.

A total of 49 direct selling organisations (DSOs) completed the survey, from a total distribution of 53, providing an excellent (92%) response rate. Results are provided at an aggregate level only; individual responses are not identified.

The survey achieved excellent 100% participation rate amongst the largest organisations, as well as responses from nearly all other company members. This has resulted in strong sector coverage of the survey results. Overall, it should be noted, however, that given the variances in organisations size and operating models in the sector sample, composition can affect reported values and may affect reliability.

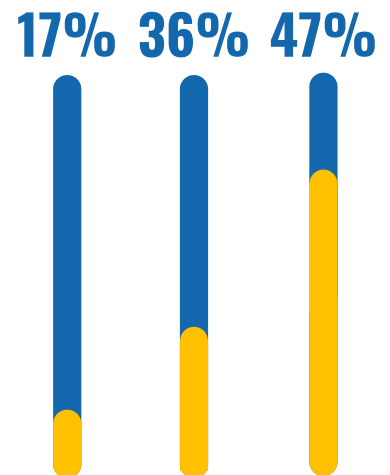


Estimated retail sales for 2020 were \$1.385 billion compared to the estimated retail Sales for 2019 at \$1,250 billion. This shows an increase of 11% for 2020.

Independent Sales People (ISP)

Business Builder Full Time

Business builder defined as ISP's working full time at their direct selling activities and likely to be earning an income that can replace previous employment. Seventeen percent (17%) of ISPs are working full time at their direct selling activities and likely to earn an income from direct selling that can substitute for their income from previous employment. This is up from 10% in 2019.



Business Builder Part Time

Consistent with last year, just over a third (36%) of ISPs are working part time (less than 30 hours per week) at their direct selling activities. They may/may not have a job in addition to their direct selling activities.

Other ISPs

Nearly half (47%) ISPs have signed an independent representative agreement with a DSO and are eligible to sell and keep retail profit on sales to consumers and sponsor new people to join their team, but are not actively doing so.

The channel is represented by 77% female ISP's.



Sector Composition

Of the sales generated in the last financial year, 41.4% were wellness products, 27% cosmetic products, 18.9% household goods, 3.2% homecare, 2.7 % clothing and accessories, and 1.5 % utilities.



Donations

DSOs donated over \$5 million to charities in 2020, with 80% making monetary donations to either Australian or overseas charities during the year.



Board of Directors



Christine Terrill
Chair
Amway Australia
Appointed June 2020

Adrian Ryan
Vice-Chair
Lorraine Lea



John Hobby
Director
Nu Skin

Rochelle Potter
Director
USANA



Paul Jones
Director
Senegence

Sinead Pollock
Director
Plexus



Heath Tully
Director
The Body Shop At Home

Peter Hurley
Director
Herbalife Nutrition



Phill Hobby
Chair
LeReve
Resigned June 2020



Peter Glennie
Director
The Juice Plus Company
Resigned 23.06.20



Brian O'Callaghan
Director
Norwex
Resigned 10.03.21

Chairs & Life Members

Chairs

1967 – 68 George McKay – Beauty Counsellors
1968 – 69 W (Wally) Hollet – Watkins
1969 – 70 Jack Wackwitz – Rena Ware
1971 – 72 J (Bill) Cleghorn – Sarah Coventry
1972 – 73 Kerry Sullivan – Avon
1973 – 74 Graeme McDougall – Mary Kay
1974 – 75 Kim Clarke – Bessemer
1975 - 76 John Nevin – Field Enterprises
1977 - 78 Gordon Griffiths – Salamander
1979 - 81 Imelda Roche – Constan Industries
1982 - 83 John Woods – Avon
1984 - 85 John Watt – Mary Kay Cosmetics
1986 - 87 Bruce Shankland – Amway
1988 - 89 Neil Greenaway – Tupperware
1990 - 91 W (Bill) Roche – Nutrimetics
1991 - 92 Ian Ross – May Kay Cosmetics
1993 - 94 Val Fittler – Pro-Ma Systems
1995 - 97 Nigel Sinclair – Nutrimetics
1997 - 00 Raymond Vidor – Emma Page
2000 - 03 Val Fittler – Pro-Ma Systems
2003 - 06 Nigel Sinclair – Nu Skin
2006 - 09 Bill Duncan – USANA
2009 - 12 Tony Greig – Amway
2012 - 14 Jenny Messenger – PartyLite
2014 - 16 Michial Coldwell – Amway
2016 - 19 Phil Hobby – Le Reve
2020 - Christine Terrill - Amway

Life Members

1981 - Robert Baird
1981 - Graeme McDougall
1982 - William Roche
1983 - John Nevin
1985 - Jack Walder
1988 - Les Dell
1992 - Bruce Shankland
1995 - Imelda Roche
2002 - Val Fittler
2005 - Ian Bult
2005 - Nigel Sinclair
2006 - John Fulton
2006 - Jeanie McKendrick
2009 - Bill Duncan
2013 - Tony Greig
2018 - John Holloway



Members

ACN Pacific Pty Ltd
Amway of Australia
Arbonne Australia Pty Ltd
Atomy Oceania
Become International Pty Ltd
Bioxyme International
Creato Direct Pty Ltd (Resigned Mid-year)
Dominant Homecare Products Pty Ltd
Enagic Australia Pty Ltd
Enjoy Pty Ltd
Envy Jewellery Pty Ltd
Fifth Avenue Collection Pty Ltd
Herbalife Australasia Pty Ltd
Intimo Lingerie
Insagenix (Asia/Pacific) Australia Pty Ltd
Jeunesse Global Australia Pty Ltd
Kaszazz Pty Ltd
Kyani Australia Pty Ltd
LeReve Pty Ltd
Life Force Australasia Pty Ltd
Life Vantage Australia Pty Ltd
Lorraine Lea
Mannatech Australia Pty Ltd
Modere Australia Pty Ltd
Morinda (Australia) Pty Ltd
Nature's Sunshine Products of Australia Pty Ltd
NeoLife International Pty Ltd (fmly GNLD Int)

Neora International Pty Ltd
Niagara Therapy Mfg. Aust Pty Ltd*
Norwex Australia Pty Ltf
NuSkin Enterprises Australia Inc.
Nutrimetics Australia Pty Ltd
PartyLite Pty Ltd
Plexus
PM-International
Postie Fashions (Aust) Pty Ltd
Rodan and Fields Australia Pty Ltd
Saladmaster, Inc.
Scentsy, Inc.
Seacret Direct Australia Pty Ltd.
SeneGence International, Inc.
Silk International Pty Ltd
Stampin' Up! Australia Pty Ltd
Sunrider International Australia
The Body Shop At Home
The Commonwealth Key & Property Register
The Juice Plus Company (Australia) Pty Ltd
The Mix Australia Pty Ltd
USANA Australia Pty Ltd
World Organics Ltd
YJ International Pty Ltd
YOR Health
Young Living Essential Oils (Australasia) P/L
Younique LLC

*Deferred Mid-Year

Supplier Members

542 Partners

A Human Agency

Abu Dhabi Convention & Exhibition Bureau

Addisons Lawyers

Advanced Regulatory Wellness Solutions

Australian Nutraceuticals

Auxano Marketing

Baker & Mackenzie

Bioxyne Limited

Brand Promotions Pty Ltd

ByDesign Technologies

CG Creative Studios

Clare Martin & Associates

Click Energy

Clockwise Consulting

Club Med

Conventions & Incentives New Zealand*

Corporate Theatre

Emily Chadbourne

Event Travel Management

Exigo

Fastrack Fulfilment Pty Ltd

Fenton Green Insurance Advisors

Finsbury Green

Freight & Distribution Management Systems

GMM Consulting

Gold Coast Business Events

Hall Chadwick Pty Ltd

Hawaii Tourism Oceania

Hyperwallet Systems Australia Pty Ltd

IDSTC

Jenkon

LBW & Partners

LIPA Pharmaceuticals Ltd*

Lisa Speaks!

Marinova Pty Ltd

Marriott International

Match Up Badges

Maui Jim Australia Pty Ltd

Mondo Search

National Products Fulfilment

Nexio

Northern Territory Convention Bureau

Orange Canvas

Oscar Winning Products

Payright

RFA Regulatory Affairs

Russell Kennedy

Smart Freight

Song Division

Simpson Grierson

Swarovski Australia Pty Ltd

The 6AM Agency

The Events Authority

Village Roadshow Theme Parks Pty Ltd

VisionScope Coaching Pty Ltd

Voyages Indigenous Tourism Pty Ltd

Wallara Logistics

*Resigned Mid-Year

Code Report 2021

In March 2021 the voting Members adopted a new Constitution and Code of Practice at a Special General Meeting.



The complaints referred to below were considered under the previous Constitution and Code at the time the complaints were made in late 2020.

During the period 1 April 2020 to 31 March 2021, there were a total of 3 complaints received by DSA which is fewer than the previous year. 1 complaint was categorised as a “formal” complaint and the remaining 2 complaints were “informal”.

The member complaint related to Member Relations under Clause 35 of the old Code. The initial investigation was conducted by the CEO who was unable to resolve the complaint and referred it to myself in my appointed role of the Code Administrator pursuant to clause 6.6 of the Constitution.

Where a complaint has been made by a direct seller or member to the CEO relating to an alleged breach of the Code of Practice which has not been resolved, the CEO must refer the complaint to the Code Administrator (clause 53 of the old Code).



Clause 54 of that Code required the Code Administrator to investigate and determine the complaint. The Code Administrator has limited powers to deal with complaints made by direct sellers or members. These powers are set out in clause 56 of the old Code which provided that the Code Administrator may do any of the following:

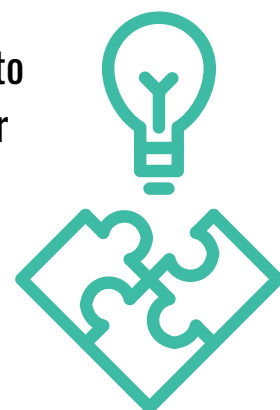
- a. Decide not to proceed with the investigation or dismiss the complaint;
- b. Make such order as appropriate in the circumstances;
- c. Refer the complaint to the Board with a recommendation for disciplinary action.

As a starting point I must be satisfied that the Code applies to the particular activity which is alleged to be in breach of the Code. I was instructed that both parties were members of DSA in Australia and entitled to make a complaint about an alleged breach of the Code.

In the letter of complaint, whilst it did not refer specifically to a breach of any particular provision of the Code, I assumed it was concerned with alleged breaches of Part 2 of the Code, particularly clauses 33 to 35. The complaint concerned alleged “poaching” activities which in my view did not contravene any of the provisions of Part 2. There is no general prohibition on recruiting persons who are already direct sellers. Rather the Code prohibition prevents members and direct sellers from engaging in certain types of conduct in their dealings with each other.

Whilst potentially the conduct may have constituted a breach of clauses 34 and 35 of the Code, there was insufficient information for me to make any findings. The dispute was between 2 members who made claims and counter claims about each other. It is not my role to resolve the issues between them. My function as Code Administrator is to investigate contraventions of the Code.

Having considered the substance of the complaints I declined to proceed with an investigation. In my view an investigation was not warranted as I was not satisfied on the material before me that the Code applied to the alleged contravening conduct. The 2 informal complaints were handled by the DSA internally and related to non-member complaints. The first complaint was referred to the USA DSA as it was outside of the local jurisdiction and the second was resolved on behalf of a Members ISP.



Direct Selling Australia Limited

ABN 68 413 038 101

Financial Statements - 31 March 2021

Direct Selling Australia Limited
Contents
31 March 2021



Directors' report	2
Auditor's independence declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	20
Independent auditor's report	21

The Directors present their report, together with the financial statements, on the company for the year ended 31 March 2021.

Directors

The following persons were Directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Christine Susan Terrill (Chair)	
Adrian Ryan (Vice Chair)	
Rochelle Rosemarie Potter	
Paul Thomas Jones	
John Hobby	Appointed: 23/6/2020
Sinead Pollock	Appointed: 23/6/2020
Peter James Hurley	Appointed: 23/6/2020
Heath Tully	Appointed: 23/6/2020
Phillip Hobby	Resigned: 23/6/2020
Peter John Glennie	Resigned: 23/6/2020
Brian Brent O'Callaghan	Resigned: 8/3/2021

Objectives

- Protect, promote and serve the interests of the Members and distributors of their Products
- Protect and promote the Direct Selling channel in Australia including through self-regulation
- Ensure the marketing of Products and Direct Selling opportunities by Members and their distributors meet high levels of business ethics and customer protection and consumer satisfaction

Strategy for achieving the objectives

- Promote the direct selling industry
- Advocate for conducive business environment for the conduct of direct selling
- Require its members to adhere to high professional and ethical standards
- Provide valuable member services and business support
- Govern & manage the company well

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- Increase industry awareness with key external stakeholders
- Monitor and respond to legal and regulatory issues
- Collection of Industry Statistics
- Strengthen relationships and engagement with Members through networking, conferences and other events
- Require Members to adhere to high professional and ethical standards.
- Provide a conducive environment systems and processes to ensure good business practice

Performance measures

The DSA reports to the Board using the strategic and business plan. This is reviewed at every Board meeting.

Information on directors

Name:	Christine Susan Terrill
Title:	Chair
Qualifications:	BA, MBA
Experience and expertise:	26 years business experience, with 12 years in direct selling & 5 years as a CEO
Name:	Adrian Ryan
Title:	Vice Chair
Qualifications:	BA Art & Design / Degree Advertising
Experience and expertise:	27 years in direct selling and owner of a DSO
Name:	Rochelle Rosemarie Potter
Title:	Director
Qualifications:	Bachelor of Commerce
Experience and expertise:	25 + years in direct selling

Name:	Paul Thomas Jones
Title:	Director
Qualifications:	MBIAT – Member of the British institute of Architectural technicians
Experience and expertise:	9 years as a GM including 6 years in direct selling
Name:	John Hobby
Title:	Director (Appointed: 23/6/2020)
Qualifications:	Bachelor of Business Management
Experience and expertise:	17 years experience in Direct Selling including 5 years as a General Manager
Name:	Sinead Pollock
Title:	Director (Appointed: 23/6/2020)
Qualifications:	Diploma in Business Studies
Experience and expertise:	12 years in Direct Selling including 2+ years as a General Manager
Name:	Peter James Hurley
Title:	Director (Appointed 23/6/2020)
Qualifications:	Bach Health Science (hons) & Masters of Commerce
Experience and expertise:	20 years experience in FMCG & GM / Director Herbalife Nutrition for 2 years
Name:	Heath Tully
Title:	Director (Appointed 23/6/2020)
Qualifications:	Bachelor of Business
Experience and expertise:	15 years of Commercial experience, 4 as Director in the direct selling industry
Name:	Phillip Hobby
Title:	Director (Resigned 23/6/2020)
Experience and expertise:	43 years in direct selling. 38 years as direct selling owner & CEO
Name:	Peter John Glennie
Title:	Director (Resigned 23/6/2020)
Qualifications:	MAICD
Experience and expertise:	21 years in direct selling & owner of a DSO
Name:	Brian Brent O'Callaghan
Title:	Director: (Resigned: 8/3/2021)
Qualifications:	Bachelor of Commerce
Experience and expertise:	22 years In direct selling

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 March 2021, and the number of meetings attended by each Director were:

	Full Board Attended	Held
Christine Susan Terrill	9	9
Adrian Ryan	9	9
Rochelle Rosemarie Potter	8	9
Paul Thomas Jones	9	9
John Hobby	6	6
Sinead Pollock	6	6
Peter James Hurley	5	5
Heath Tully	6	6
Phillip Hobby	4	4
Peter John Glennie	3	3
Brian Brent O'Callaghan	8	8

Held: represents the number of meetings held during the time the Director held office.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$1 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$55, based on 55 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

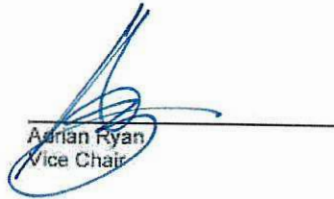
This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Christine Terrill
Chair

1 June 2021



Adrian Ryan
Vice Chair



LBW & Partners

Chartered Accountants & Business Advisors
ABN 80 618 803 443

Office

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W www.lbw.com.au

E mail@lbw.com.au

P (02) 9411 4866

Partners

Rupa Dharmasiri

Alan M Perrott

George P Rochios

Mark W Willock

Direct Selling Australia Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Direct Selling Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 31st day of May 2021

Direct Selling Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2021



	Note	2021 \$	2020 \$
Revenue and other income	3	947,388	1,172,864
Expenses			
Employee benefits expense	4	(658,151)	(763,838)
Legal and professional expenses		(46,950)	(72,420)
Occupancy expenses		-	(48,819)
Computer and website costs		(14,057)	(16,489)
Depreciation and amortisation expense		(49,700)	(43,119)
Loss on disposal of assets		-	(12,485)
Advertising and promotion		(21,785)	(24,437)
Convention and seminar		(2,879)	(220,488)
Subscriptions and membership		(19,797)	(21,527)
Travel and accommodation		(1,070)	(26,821)
Other expenses		(27,980)	(47,279)
		<hr/>	<hr/>
Profit/(loss) before income tax (expense)/benefit		105,019	(124,858)
Income tax (expense)/benefit		(11,913)	651
		<hr/>	<hr/>
Profit/(loss) after income tax (expense)/benefit for the year		93,106	(124,207)
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		<u>93,106</u>	<u>(124,207)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Direct Selling Australia Limited
Statement of financial position
As at 31 March 2021



	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	7	326,454	505,253
Trade and other receivables	8	1,026,204	59,762
Financial assets at fair value through profit or loss	9	2,068,480	1,813,712
Other assets	10	70,739	23,209
Total current assets		<u>3,491,877</u>	<u>2,401,936</u>
Non-current assets			
Property, plant and equipment	11	1,914	749
Right-of-use assets	12	67,536	62,037
Total non-current assets		<u>69,450</u>	<u>62,786</u>
Total assets		<u>3,561,327</u>	<u>2,464,722</u>
Liabilities			
Current liabilities			
Trade and other payables	13	137,620	114,113
Lease liabilities		55,342	54,764
Income tax	5	3,978	1,237
Employee benefits	15	57,363	58,814
Contract liabilities	16	978,337	-
Total current liabilities		<u>1,232,640</u>	<u>228,928</u>
Non-current liabilities			
Lease liabilities		14,102	14,315
Total non-current liabilities		<u>14,102</u>	<u>14,315</u>
Total liabilities		<u>1,246,742</u>	<u>243,243</u>
Net assets		<u>2,314,585</u>	<u>2,221,479</u>
Equity			
Retained earnings		<u>2,314,585</u>	<u>2,221,479</u>
Total equity		<u>2,314,585</u>	<u>2,221,479</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Direct Selling Australia Limited
Statement of changes in equity
For the year ended 31 March 2021



	Retained earnings \$	Total equity \$
Balance at 1 April 2019	2,345,686	2,345,686
Loss after income tax benefit for the year	(124,207)	(124,207)
Other comprehensive income for the year, net of tax	-	-
	<u>(124,207)</u>	<u>(124,207)</u>
Total comprehensive income for the year	<u>(124,207)</u>	<u>(124,207)</u>
Balance at 31 March 2020	<u>2,221,479</u>	<u>2,221,479</u>
	Retained earnings \$	Total equity \$
Balance at 1 April 2020	2,221,479	2,221,479
Profit after income tax expense for the year	93,106	93,106
Other comprehensive income for the year, net of tax	-	-
	<u>93,106</u>	<u>93,106</u>
Total comprehensive income for the year	<u>93,106</u>	<u>93,106</u>
Balance at 31 March 2021	<u>2,314,585</u>	<u>2,314,585</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Direct Selling Australia Limited
Statement of cash flows
For the year ended 31 March 2021



	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers & government subsidies (inclusive of GST)		825,425	1,247,140
Payments to suppliers and employees (inclusive of GST)		(938,115)	(1,251,402)
Receipts on interest		2,610	1,969
Interest paid on lease liabilities		(2,829)	(3,419)
Income taxes (paid)/refunded		(9,172)	5,392
		<hr/>	<hr/>
Net cash used in operating activities	17	(122,081)	(320)
Cash flows from investing activities			
Payments for property, plant and equipment	11	(1,954)	-
Proceeds from disposal of property, plant and equipment		-	568
		<hr/>	<hr/>
Net cash from/(used in) investing activities		(1,954)	568
Cash flows from financing activities			
Repayment of lease liabilities		(54,764)	(30,181)
		<hr/>	<hr/>
Net cash used in financing activities		(54,764)	(30,181)
Net decrease in cash and cash equivalents		(178,799)	(29,933)
Cash and cash equivalents at the beginning of the financial year		505,253	535,186
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	7	<u>326,454</u>	<u>505,253</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

1. General information

The financial statements cover Direct Selling Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Direct Selling Australia Limited's functional and presentation currency.

Direct Selling Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 16, 175 Pitt Street
SYDNEY NSW 2000

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 1 June 2021.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

In the Directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Direct Selling Australia Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Direct Selling Australia Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for investments in financial assets at fair value through profit or loss which is accounted at fair value.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Subscription revenue

Revenue from membership subscriptions is recognised on a straight line basis over the period of membership.

2. Significant accounting policies (continued)

Revenue from convention and seminar

Advanced bookings for convention and seminar are brought to accounts as receivables when the booking is received and the company has raised an invoice in respect to that booking. The related revenue is treated as contract liabilities (net GST) until the event is actually held. Revenue is brought to account as income once the event is completed.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) calculated on non-mutual income of the company.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The company does not apply deferred tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

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.

2. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company 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.

Impairment of financial assets

The company 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 company'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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, 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, Fixtures and Fittings	10 years
Computer Equipment	2-5 years

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 incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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 company 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.

2. Significant accounting policies (continued)

The company 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.

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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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 company'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.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual 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.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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.

2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part 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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

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 company for the annual reporting period ended 31 March 2021. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

These standards are applicable to annual reporting periods beginning on or after 1 July 2021. AASB 2020-2 will prohibit certain for-profit entities from preparing special purpose financial statements and AASB 1060 provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. Given that the company will be moving to general purpose financial statements in the future, there is likely to be increased disclosure for areas such as key management personnel, related parties, tax and financial instruments; and some disclosures will be removed. If the company adopts the standards prior to the mandatory application date it will be able to take advantage of certain special transitional disclosure relief relating to comparative information in the first year of adoption.

3. Revenue and other income

	2021 \$	2020 \$
<i>Revenue from contracts with customers</i>		
Subscription revenue	463,660	1,055,729
Convention and seminar revenue	3,318	195,803
	<u>466,978</u>	<u>1,251,532</u>
<i>Other income</i>		
Dividends and trust distributions	59,623	66,015
Interest revenue calculated using the effective interest method	208	2,419
Gain/(loss) on the revaluation of equity instruments at fair value through profit or loss	209,879	(147,440)
Covid-19 subsidies	210,700	338
	<u>480,410</u>	<u>(78,668)</u>
Revenue and other income	<u>947,388</u>	<u>1,172,864</u>

4. Employee benefits expense

	2021 \$	2020 \$
Salaries and wages	588,839	704,411
Superannuation	53,460	59,427
Other	15,852	-
	<u>658,151</u>	<u>763,838</u>

5. Income tax

	2021 \$	2020 \$
<i>Current liabilities</i>		
Provision for income tax	<u>3,978</u>	<u>1,237</u>

6. Expenses

	2021 \$	2020 \$
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	789	5,897
Office lease right-of-use assets	<u>48,910</u>	<u>37,222</u>
Total depreciation	<u>49,699</u>	<u>43,119</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>2,829</u>	<u>3,419</u>

7. Cash and cash equivalents

	2021 \$	2020 \$
<i>Current assets</i>		
Cash at bank and in hand	<u>326,454</u>	<u>505,253</u>

8. Trade and other receivables

	2021 \$	2020 \$
<i>Current assets</i>		
Trade receivables	1,026,204	543
Less: Allowance for expected credit losses	<u>-</u>	<u>-</u>
	<u>1,026,204</u>	<u>543</u>
Other receivables	<u>-</u>	<u>59,219</u>
	<u>1,026,204</u>	<u>59,762</u>

9. Financial assets at fair value through profit or loss

	2021 \$	2020 \$
<i>Current assets</i>		
Investment in equities and managed investment funds - designated at fair value through profit or loss	2,068,480	1,813,712

10. Other assets

	2021 \$	2020 \$
<i>Current assets</i>		
Prepaid conference expenses	42,452	-
Prepayments - other	18,687	13,609
Security deposits	9,600	9,600
	<u>70,739</u>	<u>23,209</u>

11. Property, plant and equipment

	2021 \$	2020 \$
<i>Non-current assets</i>		
Computer equipment - at cost	26,145	24,191
Less: Accumulated depreciation	(24,231)	(23,442)
	<u>1,914</u>	<u>749</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Furniture, fixtures and fittings \$	Computer equipment \$	Total \$
Balance at 1 April 2019	17,825	1,874	19,699
Disposals	(13,053)	-	(13,053)
Depreciation expense	(4,772)	(1,125)	(5,897)
Balance at 31 March 2020	-	749	749
Additions	-	1,954	1,954
Depreciation expense	-	(789)	(789)
Balance at 31 March 2021	<u>-</u>	<u>1,914</u>	<u>1,914</u>

12. Right-of-use assets

	2021 \$	2020 \$
<i>Non-current assets</i>		
Office lease - right-of-use	154,388	99,259
Less: Accumulated depreciation	<u>(86,852)</u>	<u>(37,222)</u>
	<u>67,536</u>	<u>62,037</u>

The company leases building for its offices, under agreements of between 1 to 2 years with an options to extend. The lease has various escalation clauses. On renewal, the terms of the lease are renegotiated.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office lease \$	Total \$
Balance at 1 April 2019	-	-
Additions	99,259	99,259
Depreciation expense	<u>(37,222)</u>	<u>(37,222)</u>
Balance at 31 March 2020	62,037	62,037
Additions	55,129	55,129
Depreciation expense	<u>(49,630)</u>	<u>(49,630)</u>
Balance at 31 March 2021	<u>67,536</u>	<u>67,536</u>

13. Trade and other payables

	2021 \$	2020 \$
<i>Current liabilities</i>		
Trade payables	-	10,653
BAS payable	105,845	18,955
Accruals and other payables	<u>31,775</u>	<u>84,505</u>
	<u>137,620</u>	<u>114,113</u>

14. Lease liabilities

	2021 \$	2020 \$
<i>Current liabilities</i>		
Lease liability - Office lease	<u>55,342</u>	<u>54,764</u>
<i>Non-current liabilities</i>		
Lease liability - Office lease	<u>14,102</u>	<u>14,315</u>
	<u>69,444</u>	<u>69,079</u>

15. Employee benefits

	2021 \$	2020 \$
<i>Current liabilities</i>		
Annual leave	57,363	58,814

16. Contract liabilities

	2021 \$	2020 \$
<i>Current liabilities</i>		
Membership income in advance	908,811	-
Conference income in advance	69,526	-
	<u>978,337</u>	<u>-</u>

17. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	2021 \$	2020 \$
Profit/(loss) after income tax (expense)/benefit for the year	93,106	(124,207)
Adjustments for:		
Depreciation and amortisation	49,700	43,120
Net (income reinvested)/loss	(255,170)	92,820
Net loss on disposal of property, plant and equipment	-	12,485
Change in operating assets and liabilities:		
Increase in trade and other receivables	(965,321)	(23,059)
Decrease/(increase) in prepayments	(47,530)	39,418
Increase in income tax liabilities	2,741	4,741
Increase in trade and other payables	23,507	49,453
Increase/(decrease) in employee benefits	(1,451)	21,188
Increase/(decrease) in contract liabilities	978,337	(116,279)
Net cash used in operating activities	<u>(122,081)</u>	<u>(320)</u>

18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by LBW & Partners, the auditor of the company:

	2021 \$	2020 \$
<i>Audit services - LBW & Partners</i>		
Audit of the financial statements	10,000	10,000
<i>Other services - LBW & Partners</i>		
Preparation of the tax return	2,645	7,379
	<u>12,645</u>	<u>17,379</u>

19. Contingent liabilities

The company had no contingent liabilities as at 31 March 2021 and 31 March 2020.

In the Directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Direct Selling Australia Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 2 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Christine Terrill
Chair

1 June 2021



Adrian Ryan
Vice Chair



LBW & Partners

Chartered Accountants & Business Advisors
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Direct Selling Australia Limited

Independent Auditor's Report to the Members of Direct Selling Australia Limited

Opinion

We have audited the accompanying financial report of Direct Selling Australia Limited (the company), which comprises the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Direct Selling Australia Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards described in note 2 to the financial statements, the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Direct Selling Australia Limited

Independent Auditor's Report to the Members of Direct Selling Australia Limited Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located in the auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 1st day of June 2021

2021

DIRECT SELLING AUSTRALIA LIMITED

ABN: 68 413 038 101

ACN: 639 273 037

REGISTERED OFFICE:

LEVEL 16, 175 PITT STREET
SYDNEY, NSW 2000

Auditor:

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