



FAIR WORK
AUSTRALIA

12 January 2011

Mr Leon Carter
National Secretary
Finance Sector Union of Australia
National Office
341 Queen Street
MELBOURNE VIC 3000
By email: fsuinfo@fsunion.org.au

Copy to: Mr Graeme Leonard

Dear Mr Leon

**Financial report for year ended 30 June 2010 – FR2010/2717
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I acknowledge receipt of the full report and the concise report for the year ended 30 June 2010 for the National Office of the Finance Sector Union of Australia (FSU). The documents were lodged with Fair Work Australia on 23 December 2010. I also acknowledge receipt of the designated officer's certificate on 12 January 2011.

Both the full report and the concise report have been filed.

Although the reports have been filed please note the following comments arising from issues identified in the 2009/2010 reports. These comments are made to assist you in the preparation of future financial reports and no further action is required in respect to the reports already filed.

Presentation of full report to s266 meeting

Subsection 265(1)(a) RO Act defines the full report to consist of the auditor's report, general purpose financial report (which is inclusive of the committee of management statement), and the operating report. Section 266 provides that the full report must be presented to a general meeting of members or to a meeting of the committee of management (if provided for in the organisation rules).

From the information provided in the designated officer's certificate dated 21 December 2010, the "full financial report" presented to the meeting of the committee of management on 12 November and 13 December did not include the operating report. Please ensure this is done in future.

Providing copies of the concise report to members by 30 November

Subsection 265(5)(b) provides that if the reporting unit intends to present the full report to a meeting of the committee of management rather than to a general meeting of members, the concise report must be provided to members within the period of 5 months starting at the end of the financial year, in FSU's case, by 30 November.

Date of committee of management resolution to provide concise report to members

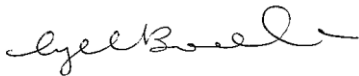
In future please specify the date of when the committee of management passed the resolution to provide a concise report to members under s265(2).

Updating references - Industrial Registrar is now the General Manager of FWA

The Industrial Registrar should be referred to as the General Manager. The reproduction of s272(1), (2) and (3) in the notes to the accounts on page 13 referred to the Registrar instead of the General Manager.

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Tuesdays – Fridays) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Tribunal Services and Organisations

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

DESIGNATED OFFICER'S CERTIFICATE

I, Leon J. Carter, being National Secretary of the Finance Sector Union of Australia, certify:

- that the documents lodged herewith are true copies of :
 - the full financial report, including the Committee of Management Statement and Auditor's Report, of the reporting unit, for the financial year ended 30 June 2010, as referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
 - the Operating Report for the year ended 30 June 2010; and
 - Discussion and Analysis of Financial Position; and
 - Concise Financial Report, including Auditor's Report, of the reporting unit, for the financial year ended 30 June 2010, as referred to in s268 of the Fair Work (Registered Organisations) Act 2009.
- that the full financial report was presented to a meeting of the Committee of Management of the reporting unit on 12 November, 2010, in accordance with s266 of the Fair Work (Registered Organisations) Act 2009, and re-presented to the Committee of Management on 13 December 2010
- that the Operating Report, Discussion and Analysis of Financial Position and Concise Financial Report were circulated to members in December 2010



LEON J. CARTER
NATIONAL SECRETARY

Signed at Melbourne this 21st day of December, 2010

22 December 2010

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE, VIC 3001

Dear Sir/Madam,

RE: FINANCIAL DOCUMENTS FOR THE YEAR ENDED 30 JUNE 2010

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, I hereby lodge the following financial documents:

- Designated Officer's Certificate
- Full Financial Report (Financial Statements), including the Committee of Management Statement and Auditor's Report
- Concise Report To Members, including:
 - Operating Report
 - Discussion and Analysis of Financial Position
 - Concise Financial Report, including Committee of Management Statement and Auditor's Report.

Yours faithfully,



Leon Carter,
NATIONAL SECRETARY

FINANCE
SECTOR
UNION OF
AUSTRALIA

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be addressed to the
Secretary*

FINANCE SECTOR UNION OF AUSTRALIA
& CONTROLLED ENTITY

FINANCIAL STATEMENTS

30 JUNE 2010

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**FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY**

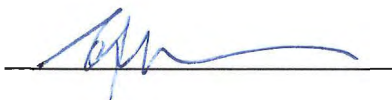
STATEMENT OF THE NATIONAL EXECUTIVE

On November 11, 2010 the National Executive (Committee of Management) of the Finance Sector Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended June 30, 2010:

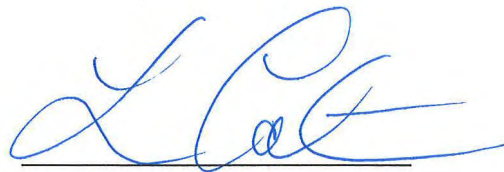
The National Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organization including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) no requests for information have been received from a member of the reporting unit or a Registrar under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (v) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
 - (vi) there has been no recovery of wages for the financial year.

Signed on behalf of the National Executive



**C. GORDON
NATIONAL PRESIDENT**



**L.J. CARTER
NATIONAL SECRETARY**

Signed at Melbourne this 12th day of November, 2010

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Economic Entity		Parent Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
Income from Ordinary Activities	2	20,525,488	18,305,506	20,516,762	18,349,904
Expenses From Ordinary Activities					
Employee Benefits		(14,886,671)	(14,559,579)	(14,886,671)	(14,559,579)
Building & Equipment Expenses		(1,343,348)	(1,385,650)	(1,892,169)	(1,893,171)
Industrial & Campaign Expenses		(870,203)	(975,614)	(870,203)	(975,614)
Depreciation		(1,371,101)	(1,313,120)	(830,332)	(846,844)
ACTU Affiliation Fees		(121,404)	(120,382)	(121,404)	(120,382)
Office Expenses		(1,422,870)	(1,745,447)	(1,422,870)	(1,745,447)
Other Expenses		(1,636,905)	(1,917,901)	(1,620,127)	(1,921,054)
		<u>(21,652,502)</u>	<u>(22,017,693)</u>	<u>(21,643,776)</u>	<u>(22,062,091)</u>
NET SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES		<u>(1,127,014)</u>	<u>(3,712,187)</u>	<u>(1,127,014)</u>	<u>(3,712,187)</u>
Other Comprehensive Income					
Gain / (Loss) on listed shares held for long term investment		49,233	(44,312)	49,233	(44,312)
Gain on revaluation of land and buildings		-	7,354,713	-	211,500
TOTAL COMPREHENSIVE SURPLUS / (DEFICIT)		<u>(1,077,781)</u>	<u>3,598,214</u>	<u>(1,077,781)</u>	<u>(3,544,999)</u>

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	Economic Entity		Parent Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
TOTAL ACCUMULATED FUNDS		45,824,837	46,902,618	33,371,806	34,449,587
represented by:					
CURRENT ASSETS					
Cash	13 (a)	13,950,438	11,417,479	13,760,221	11,218,241
Receivables	3	875,597	892,526	833,214	822,215
Available-for-sale property		-	625,000	-	625,000
Prepayments		241,977	377,329	204,038	306,807
TOTAL CURRENT ASSETS		15,068,012	13,312,334	14,797,473	12,972,263
NON CURRENT ASSETS					
Receivables	3	236,001	238,398	20,736,001	20,738,398
Financial Assets	4	7,564,431	6,169,000	7,564,431	6,169,000
Available-for-sale financial assets	4	392,728	343,148	392,728	343,148
Property, Plant & Equipment	5	27,357,697	31,779,078	2,365,322	3,339,078
TOTAL NON CURRENT ASSETS		35,550,857	38,529,624	31,058,482	30,589,624
TOTAL ASSETS		50,618,869	51,841,958	45,855,955	43,561,887
CURRENT LIABILITIES					
Accounts Payable	6	1,510,158	1,708,097	9,200,275	5,881,057
Provision - Employee Entitlements	9	2,130,058	2,052,083	2,130,058	2,052,083
TOTAL CURRENT LIABILITIES		3,640,216	3,760,180	11,330,333	7,933,140
NON CURRENT LIABILITIES					
Provision - Employee Entitlements	9	1,153,816	1,179,160	1,153,816	1,179,160
TOTAL NON CURRENT LIABILITIES		1,153,816	1,179,160	1,153,816	1,179,160
TOTAL LIABILITIES		4,794,032	4,939,340	12,484,149	9,112,300
NET ASSETS		45,824,837	46,902,618	33,371,806	34,449,587

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2010

	General Fund	Asset Revaluation Reserve	Total
	\$	\$	\$
ECONOMIC ENTITY			
Total at the beginning of the financial year	36,072,851	7,231,553	43,304,404
Surplus / (Deficit) from ordinary activities	(3,712,187)	-	(3,712,187)
Gain / (Loss) on listed shares held for long term investment	-	(44,312)	(44,312)
Gain on revaluation of land and buildings	-	7,354,713	7,354,713
Balance as at 30 June 2009	<u>32,360,664</u>	<u>14,541,954</u>	<u>46,902,618</u>
Surplus / (Deficit) from ordinary activities	(1,127,014)	-	(1,127,014)
Gain / (Loss) on listed shares held for long term investment	-	49,233	49,233
Gain on revaluation of land and buildings	-	-	-
Balance as at 30 June 2010	<u>31,233,650</u>	<u>14,591,187</u>	<u>45,824,837</u>
PARENT ENTITY			
Total at the beginning of the financial year	36,072,849	1,921,737	37,994,586
Surplus / (Deficit) from ordinary activities	(3,712,187)	-	(3,712,187)
Gain / (Loss) on listed shares held for long term investment	-	(44,312)	(44,312)
Gain on revaluation of land and buildings	-	211,500	211,500
Balance as at 30 June 2009	<u>32,360,662</u>	<u>2,088,925</u>	<u>34,449,587</u>
Surplus / (Deficit) from ordinary activities	(1,127,014)	-	(1,127,014)
Gain / (Loss) on listed shares held for long term investment	-	49,233	49,233
Gain on revaluation of land and buildings	-	-	-
Balance as at 30 June 2010	<u>31,233,648</u>	<u>2,138,158</u>	<u>33,371,806</u>

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Economic Entity		Parent Entity	
		2010 \$	2009 \$	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Members		17,232,384	16,924,732	17,232,384	16,924,732
Interest Received		11,263	703,718	3,876	693,505
Rent		1,141,273	1,074,371	-	-
Other		789,491	263,490	789,491	263,490
Interest Paid		-	-	-	-
Payments to Suppliers and Employees		(20,603,966)	(20,797,687)	(19,547,405)	(19,287,073)
CASH FLOW PROVIDED BY/ (USED) IN OPERATING ACTIVITIES	13 (b)	(1,429,555)	(1,831,376)	(1,521,654)	(1,405,346)
CASH FLOWS FROM INVESTING ACTIVITIES					
Amelioration Fund loans advanced/repaid		49,090	428,160	49,090	428,160
Net OLI bonus payments distributed		(4,262)	(655)	(4,262)	(655)
Purchase of property, plant and equipment		(367,268)	(784,116)	(294,953)	(447,510)
Proceeds from the sale of fixed assets		4,285,301	179,392	1,085,301	179,392
Purchase of Listed Shares		(347)	-	(347)	-
CASH FLOW PROVIDED BY / (USED) IN INVESTING ACTIVITIES		3,962,514	(177,219)	834,829	159,387
CASH FLOWS FROM FINANCING ACTIVITIES					
Funding from Property Trust		-	-	3,228,805	(666,761)
CASH FLOW PROVIDED BY / (USED) IN FINANCING ACTIVITIES		-	-	3,228,805	(666,761)
NET CASH INCREASE / (DECREASE)		2,532,959	(2,008,595)	2,541,980	(1,912,720)
CASH AT THE BEGINNING OF THE YEAR		11,417,479	13,426,074	11,218,241	13,130,961
CASH AT THE END OF THE FINANCIAL YEAR	13 (a)	13,950,438	11,417,479	13,760,221	11,218,241

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This financial report is a general-purpose report that has been prepared in accordance with the Fair Work (Registered Organisations) Act 2009, applicable Accounting Standards and other mandatory professional reporting requirements. These financial statements also comply with International Financial Reporting standards as issued by the International accounting Standards Board.

The financial report has been prepared on an accruals basis and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation and presentation of the financial report:

(a) Revenue

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(b) Principles of Consolidation

The consolidated accounts comprise the accounts of the Finance Sector Union of Australia (FSUA) and of its controlled entity. A controlled entity is any entity controlled by the FSUA. Control exists where the FSUA has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so as that other entity operates with the FSUA to achieve the objectives of the FSUA. Details of the controlled entity are contained in note 7 to the financial statements.

All inter-entity balances and transactions between the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(c) Income Tax

No provision for income tax is necessary, as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

(d) Property

Property is brought to account at fair value less any accumulated depreciation or amortisation. The carrying amount of property is reviewed annually by the National Executive to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Freehold land and buildings were last re-valued on 30 June 2009, based on the assessment of their market value as at 31 December 2008. The revaluations were made in accordance with a policy of revaluing land and buildings every three years.

Available for sale properties

Property expected to be sold within 12 months of the end of the financial year is classified as Available for Sale Property.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1 : STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Plant & Equipment

Plant and equipment is brought to account at the lower of cost and net realisable value less any accumulated depreciation.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the date the asset is installed ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

All items of property, plant and equipment other than freehold land are depreciated using the straight line method at the following rates:

Buildings	2.5%	Computers	33%
Motor vehicles	15%	Furniture	10% - 20%
Plant & equipment	13%	Building Fittings	20%

(e) *Leases*

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) *Financial assets*

Financial assets at fair value through profit or loss:

This category comprises investments in managed funds that are held by fund managers on behalf of the Union for trading to make a profit. They are non-derivatives and are included in non current assets as it is the intention of management to maintain a portfolio of investments for the longer term. They are recorded in the balance sheet at market value and any gains or losses are recorded through the Income Statement.

Investments in Unlisted Unit Trusts where no active market exists are shown at recoverable amount. Recoverable amount is assessed as cost less any provision for diminution in value caused by a shortfall in net assets of the investment entity. Any gains or losses are recorded through the Income Statement.

Available-for-sale financial assets:

This category comprises shares in listed companies. They are non-derivatives and are included in non current assets as it is the intention of management to hold these shares as a strategic investment for the longer term. The shares are disclosed at their fair value at year end in accordance with quoted market pricing provided by the Australian Stock Exchange and any gains and losses arising from changes in the fair value are recorded directly to equity and disclosed in the 'Statement of Changes in Equity'.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1 : STATEMENT OF ACCOUNTING POLICIES (CONT'D)

(g) Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable after one year, have been measured at the present value of the estimated future outflows to be made for those entitlements.

Contributions made by the economic entity to employee superannuation funds are charged as expenses when incurred.

(h) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with financial institutions net of bank overdrafts plus managed investments that are at call.

FINANCE SECTOR UNION OF AUSTRALIA
 NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2010

	Economic Entity		Parent Entity	
	2010 \$	2009 \$	2010 \$	2009 \$
NOTE 2: OPERATING SURPLUS/(DEFICIT)				
Operating surplus/(deficit) before abnormal items and income tax has been determined after:				
<i>(a) Charging as an expense</i>				
Salaries and salary oncosts				
- Officers remuneration	582,125	554,434	582,125	554,434
- Employees remuneration	10,256,290	9,832,744	10,256,290	9,832,744
- Superannuation contributions	1,848,587	1,824,197	1,848,587	1,824,197
- Redundancy & Termination Payments	373,200	383,624	373,200	383,624
- Other payroll on-costs	1,471,455	1,551,867	1,471,455	1,551,867
Allowances	75,039	72,306	75,039	72,306
Meeting expenses	68,054	167,829	68,054	167,829
Office rent	359,486	368,847	1,590,892	1,597,689
Other office and building expenses	983,862	1,016,803	301,277	295,482
Auditors remuneration				
- Auditing the accounts	78,530	59,510	73,530	54,510
- Other services	2,596	14,039	2,596	14,039
Legal fees	88,908	121,940	77,795	130,717
Other professional fees	55,788	21,150	55,788	21,150
Operating lease/ rental of office equipment	545,862	650,655	545,862	650,655
Depreciation	824,432	836,344	823,243	836,344
Amortisation of freehold buildings	546,669	476,776	7,089	10,500
(Profit)/Loss on sale of property, plant & equipment	(242,753)	20,555	(21,923)	20,555
Affiliations – ACTU, TLCs, ALP, Other	467,297	460,945	467,297	460,945
Donations and grants	13,349	18,904	13,349	18,904
Amelioration fund				
- Mortuary benefits	142,188	180,357	142,188	180,357
- Grants	2,213	-	2,213	-
- Remission of debts	16,944	27,450	16,944	27,450
	<u>16,944</u>	<u>27,450</u>	<u>16,944</u>	<u>27,450</u>
<i>(b) Crediting as income</i>				
Subscriptions	17,159,622	16,931,559	17,159,622	16,931,559
Interest	463,549	551,598	456,162	541,385
Dividend income	20,521	26,689	20,521	26,689
Increase (decrease) in market value of managed funds	1,123,405	(624,827)	1,123,405	(624,827)
Rent received	1,114,562	1,074,712	-	-
	<u>1,114,562</u>	<u>1,074,712</u>	<u>-</u>	<u>-</u>
<i>(c) Significant items of income/ (expenditure)</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FINANCE SECTOR UNION OF AUSTRALIA
 NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2010

	Economic Entity		Parent Entity	
	2010 \$	2009 \$	2010 \$	2009 \$
<u>NOTE 3: RECEIVABLES</u>				
<i>CURRENT</i>				
Subscriptions deducted not remitted	221,170	288,023	221,170	288,023
Sundry debtors	252,414	155,797	210,031	85,486
Less provision for doubtful debts	-	-	-	-
	<u>473,584</u>	<u>443,820</u>	<u>431,201</u>	<u>373,509</u>
Amelioration fund loans to members	552,013	598,706	552,013	598,706
Less provision for doubtful debts	(150,000)	(150,000)	(150,000)	(150,000)
	<u>402,013</u>	<u>448,706</u>	<u>402,013</u>	<u>448,706</u>
	<u>875,597</u>	<u>892,526</u>	<u>833,214</u>	<u>822,215</u>
<i>NON-CURRENT</i>				
Amelioration fund loans to members	236,001	238,398	236,001	238,398
FSU Property Pty Ltd	-	-	20,500,000	20,500,000
	<u>236,001</u>	<u>238,398</u>	<u>20,736,001</u>	<u>20,738,398</u>
<u>NOTE 4: NON CURRENT ASSETS</u>				
Financial assets at fair value through profit or loss				
- Managed investments	7,563,402	6,167,971	7,563,402	6,167,971
- Units - unlisted trusts	32,348	27,962	32,348	27,962
less provision for diminution	(31,319)	(26,933)	(31,319)	(26,933)
	<u>1,029</u>	<u>1,029</u>	<u>1,029</u>	<u>1,029</u>
Total financial assets through profit or loss	<u>7,564,431</u>	<u>6,169,000</u>	<u>7,564,431</u>	<u>6,169,000</u>
Available-for-sale financial assets				
- Shares in listed companies at market value	<u>392,728</u>	<u>343,148</u>	<u>392,728</u>	<u>343,148</u>

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

	Economic Entity		Parent Entity	
	2010 \$	2009 \$	2010 \$	2009 \$
<u>NOTE 5: PROPERTY, PLANT & EQUIPMENT</u>				
<i>Freehold Land & Buildings:</i>				
Freehold land at:				
- independent valuation December 2008	5,665,000	6,215,000	-	50,000
- at cost	-	-	-	-
Total Freehold Land	<u>5,665,000</u>	<u>6,215,000</u>	<u>-</u>	<u>50,000</u>
Buildings at:				
- independent valuation December 2008	19,750,000	22,535,000	-	260,000
- at cost	-	-	-	-
less accumulated depreciation	(493,750)	-	-	-
Total Buildings	<u>19,256,250</u>	<u>22,535,000</u>	<u>-</u>	<u>260,000</u>
Total Freehold Land & Buildings	<u>24,921,250</u>	<u>28,750,000</u>	<u>-</u>	<u>310,000</u>
<i>Plant & Equipment:</i>				
Furniture & Fittings - at cost	4,225,589	4,549,555	4,153,275	4,549,555
less accumulated depreciation	(2,555,772)	(2,338,231)	(2,554,583)	(2,338,231)
	<u>1,669,817</u>	<u>2,211,324</u>	<u>1,598,692</u>	<u>2,211,324</u>
Motor Vehicles - at cost	1,093,109	1,126,570	1,093,109	1,126,570
less accumulated depreciation	(326,479)	(308,816)	(326,479)	(308,816)
	<u>766,630</u>	<u>817,754</u>	<u>766,630</u>	<u>817,754</u>
Total Plant & Equipment	<u>2,436,447</u>	<u>3,029,078</u>	<u>2,365,322</u>	<u>3,029,078</u>
Total Property, Plant & Equipment	<u>27,357,697</u>	<u>31,779,078</u>	<u>2,365,322</u>	<u>3,339,078</u>

The revaluations of freehold land and buildings were based on the assessment of their market value as at 31 December 2008.

The revaluations were made in accordance with a policy of revaluing land and buildings every three years.

The valuations were undertaken by principals and employees of Charter Keck Cramer and other property consulting firms contracted by Charter Keck Cramer. The next valuation is due 30 June 2012.

NOTE 6: ACCOUNTS PAYABLE

Legal costs	15,936	8,899	15,936	7,554
Other	1,494,222	1,699,198	9,184,339	5,873,503
	<u>1,510,158</u>	<u>1,708,097</u>	<u>9,200,275</u>	<u>5,881,057</u>

FINANCE SECTOR UNION OF AUSTRALIA
 NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2010

NOTE 7: GROUP ENTITIES

Subsidiary

FSU Property Pty. Ltd. as trustee for the FSU Property Trust.

	<u>2010</u>	<u>2009</u>
Country of incorporation	Australia	Australia
Percentage owned	100%	100%
Investment at cost	\$2	\$2
Contribution to group operating surplus	\$nil	\$nil

Rent of \$1,590,892 (2009 - \$1,597,689) was invoiced by the Property Trust to the FSUA during the year at commercial rates.

The FSU Property Trust made a trust distribution to FSUA, its sole beneficiary, of \$1,334,054 (2009 - \$1,129,323) at the end of the year.

<u>Economic Entity</u>		<u>Parent Entity</u>	
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTE 8: REMUNERATION & RETIREMENT BENEFITS

a) Remuneration received or receivable by National Executive Delegates.	<u>621,076</u>	<u>584,649</u>	<u>621,076</u>	<u>584,649</u>
b) The amount paid to a superannuation fund or other entity by the Union or any related party for retirement of the Union's National Executive	<u>114,556</u>	<u>109,868</u>	<u>114,556</u>	<u>109,868</u>

NOTE 9: PROVISION – EMPLOYEE ENTITLEMENTS

Officers	402,991	341,991	402,991	341,991
Employees	2,880,883	2,889,252	2,880,883	2,889,252
	<u>3,283,874</u>	<u>3,231,243</u>	<u>3,283,874</u>	<u>3,231,243</u>
<i>Shown as:</i>				
Current	2,130,058	2,052,083	2,130,058	2,052,083
Non Current	1,153,816	1,179,160	1,153,816	1,179,160
	<u>3,283,874</u>	<u>3,231,243</u>	<u>3,283,874</u>	<u>3,231,243</u>

NOTE 10: RELATED PARTY TRANSACTIONS

There were no related party transactions with any members of National Executive during the year.

FINANCE SECTOR UNION OF AUSTRALIA
 NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2010

NOTE 11: OPERATING LEASE COMMITMENT

As at 30 June 2010 the Finance Sector Union of Australia has a commitment to three operating leases, with Alleasing Pty Ltd and Cisco Systems Capital (Australia) Pty Ltd as the lessors. These operating leases relate to general office equipment, telephony and IT infrastructure.

Future lease commitments are as follows:

0 - 1 year	\$538,109
1 - 5 years	\$756,280
5+ years	\$ -

NOTE 12: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Part 3 of Chapter 8, which reads as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit;
- (3) A reporting unit must comply with an application made under sub-section (1).

Economic Entity		Parent Entity	
2010	2009	2010	2009
\$	\$	\$	\$

NOTE 13: CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	3,973	4,365	3,958	4,350
Cash at bank	11,252,780	8,447,401	11,062,578	8,248,178
Managed investments – cash component	2,693,685	2,965,713	2,693,685	2,965,713
Bank overdraft	-	-	-	-
	<u>13,950,438</u>	<u>11,417,479</u>	<u>13,760,221</u>	<u>11,218,241</u>
Overdraft facility limit	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

	Economic Entity		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
<u>NOTE 13: CASH FLOW INFORMATION (CONT'D)</u>				
(b) Reconciliation of Cash Flow from Operations with Operating Surplus / (Deficit) after income tax:				
Operating surplus (deficit) after income tax	(1,127,014)	(3,712,187)	(1,127,014)	(3,712,187)
Non Cash Flows in Operating Surplus/(Deficit)				
Depreciation & amortisation	1,371,101	1,313,120	830,332	846,844
Increase in market value of non-current investments	(1,395,432)	784,403	(1,395,432)	784,403
Loss/(Profit) on sale of assets	(242,753)	20,555	(21,923)	20,555
Write down of OLI bonus payment liabilities	(14,135)	-	(14,135)	-
Changes in Assets & Liabilities				
Increase / (Decrease) in accounts payable	(27,389)	(242,783)	4,124	172,999
Increase / (Decrease) in provision for employee entitlements	(253,429)	(16,447)	(253,429)	(16,447)
Increase / (Decrease) in loan – Property Trust	-	-	256,838	468,366
Decrease / (Increase) in subscriptions owing	72,762	(6,828)	72,762	(6,828)
Decrease / (Increase) in sundry receivables	51,382	142,728	23,454	143,069
Decrease / (Increase) in prepayments	135,352	(113,937)	102,769	(106,120)
Cash Flow from Operations	<u>(1,429,555)</u>	<u>(1,831,376)</u>	<u>(1,521,654)</u>	<u>(1,405,346)</u>

NOTE 14: FINANCIAL INSTRUMENTS

The Union's financial instruments consist mainly of deposits with banks, funds managed on behalf of the Union in a range of managed funds, and accounts receivable and payable.

Funds on deposit with banks are monitored on a daily basis, and are utilised and invested in a manner which ensures that the Union has adequate funding for day-to-day operations without resorting to overdraft funds.

Managed funds are placed with a number of professional fund managers, using recommendations received from JANA Investment Advisors Pty Ltd (JANA). JANA has been appointed on an open-ended arrangement, and provides detailed reporting on a quarterly basis on the performance of the fund managers, and recommendations for re-weighting of portfolios. The funds are invested in Australian Equities, International Equities, Fixed Interest and Cash products.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 14: FINANCIAL INSTRUMENTS (CONT'D)

	Weighted Average Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate Maturing		
				Within 1 Year	1 to 5 Years	Over 5 Years
2010	\$	\$	\$	\$	\$	\$
<i>Financial Assets</i>						
Cash on hand	N/A		3,973			
Cash at bank	4.58%	11,252,780				
Managed investments - Cash	8.40%	2,693,685				
Managed investments	N/A		7,563,403			
Available for sale assets	N/A		393,757			
Available for sale property	N/A		-			
Receivables	5.00%		473,584	402,013	236,001	
Total Financial Assets		13,946,465	8,434,717	402,013	236,001	-
<i>Financial Liabilities</i>						
Accounts payable	N/A		1,474,119			
Total Financial Liabilities		-	1,474,119	-	-	-
<u>2009</u>						
<i>Financial Assets</i>						
Cash on hand	N/A		4,365			
Cash at bank	5.60%	8,447,401				
Managed investments - Cash	5.69%	2,965,713				
Managed investments	N/A		6,169,000			
Available for sale assets	N/A		343,148			
Available for sale property	N/A		625,000			
Receivables	5.00%		443,820	448,706	238,398	
Total Financial Assets		11,413,114	7,585,333	448,706	238,398	-
<i>Financial Liabilities</i>						
Accounts payable	N/A	-	1,970,702	-	-	-
Total Financial Liabilities		-	1,970,702	-	-	-

NOTE 15: FINANCIAL INSTRUMENTS

(a) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

Tenants of Union properties are required to pay their rental on a monthly basis in advance, by direct credit to the FSU Property Trust bank account

Loans made to members through the Amelioration Fund of the Union are unsecured, but loans are required to be repaid within 4 years by fortnightly direct debit, and are subject to a maximum amount of \$3,000.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

(b) Liquidity Risk

Subscription revenue from members for the year ended June 30, 2010 of \$17.2 million (2009 - \$16.9 million) is the major income source of the Union. Consequently the future liquidity of the Union will be impacted by the level of membership.

At year end the Union held cash reserves of approximately \$13.95 million, contributing to a working capital surplus of \$11.4 million (current assets minus current liabilities).

(c) Market Risk

(i) Interest Rate Risk

Interest rate risk is dependent on short-term interest rates offered by banking institutions. Most deposits are made with National Australia Bank, with small amounts deposited with Members Equity Bank, Gateway Credit Union and AMP Credit Union.

Accounts receivable which are subject to interest rates are loans made to members through the Amelioration Fund of the Union, which is reviewed and set by the National Executive.

(ii) Foreign Currency Risk

Foreign currency risk is limited to the managed funds which are invested in Overseas Equities. These are managed by JANA, and the funds are subject to hedging arrangements.

(iii) Price Risk

Subscription revenue from members is the major income source of the Union, and the price risk relates to members maintaining their membership at the subscription rates set by the National Executive on an annual basis.

NOTE 16: EVENTS SUBSEQUENT TO BALANCE DATE

(a) Recovery of GST

The FSU is seeking to recover \$160,718 from the ATO relating to GST remitted to the ATO and relating to the sale of the following Holiday Rental properties, during the 2007/2008 financial year. Any future recovery of GST will be taken to Income in the year in which it relates.

Units 15 & 16, Chick Court, 22 Chick Place, Kalbarri. WA
Units 52A & 52B Elsie Street, Watermans Bay. WA

(b) Investment Valuations

Investments shown in these accounts are shown at their value as at June 30, 2010. Since that date, financial markets in Australia have increased in value, and the value of the Union's investments has also grown.

NOTE 17: CONTINGENT LIABILITIES

Bank guarantee provided for Fynstat Pty Ltd, to guarantee lease payments at 12 Cordelia Street, South Brisbane, QLD, amounted to \$126,555 (2009: \$126,555).

Independent Auditor's Report To The Members Of The Finance Sector Union of Australia

SCOPE

The financial report and National Executives responsibility:

The financial report comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, accompanying notes to the financial statements, and the Statement of the National Executive of the Finance Sector Union of Australia (the consolidated entity), for the year ended 30 June 2010. The consolidated entity comprises both the Union and the entities it controlled during that year.

The National Executive of the Union is responsible for the preparation and true and fair presentation of the financial report in accordance with the *Fair Work (Registered Organisations) Act 2009*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Fair Work (Registered Organisations) Act 2009*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

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AUDIT APPROACH (CONTINUED)

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the National Executive.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

AUDITOR'S OPINION

In our opinion, the general purpose financial report of the Finance Sector Union of Australia for the year ended 30 June 2010, presents fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

WHK HORWATH MELBOURNE

A handwritten signature in black ink, appearing to be 'Peter Sexton', written over a horizontal line.

Peter Sexton
Partner
12 November 2010

Member of the Institute of Chartered Accountants in Australia
And holder of a Current Public Practice Certificate
Registered Company Auditor # 85044

Level 17, 181 William Street
Melbourne Vic 3000

Finance Sector Union of Australia (the reporting unit)

OPERATING REPORT for the period 1 July 2009 to 30 June 2010

Prepared in accordance with Schedule 1 - Registration and Accountability of Organisation; Chapter 8 - Records and Accounts; Part 3 - Accounts and Audit; Section 254 - Reporting Unit To Prepare Operating Report of the Fair Work (Registered Organisations) Act 2009 (Commonwealth).

Review of Activities

The Finance Sector Union is a member based, federally registered trade union, representing finance sector workers who are actively pursuing better working lives and stronger communities.

The reporting unit's activities are directed by its National Executive in pursuit of this aim and in accordance with its rules of registration.

Principally, the reporting unit's activities consist of:

- Organising finance sector employees;
- Training and education of members;
- Providing individual members with informed and expert representation in workplace related matters;
- Maintaining and monitoring the compliance with relevant industrial awards and agreements;
- Collectively bargaining with employers on behalf of and in the interests of members;
- Representing and assisting members in all matters pursuant to the Fair Work (Registered Organisations) Act 2009;
- Representing and assisting members in all matters pursuant to the relevant national and state Occupational, Health and Safety Acts;
- Advocating on behalf of members and in the interests of finance sector employees in all relevant tribunals, courts of law, parliamentary committees and inquiries;
- Administering union resources;
- Other matters as directed by the National Executive.

Results of Activities

During the period 1/7/09 - 30/6/10, the Finance Sector Union:

- Received application for and admitted 6,482 members;
- Appointed over 887 members as FSU workplace representatives;
- Provided training to 1,000 workplace representatives;
- Provided representation to 8,737 members at the workplace or enterprise level;
- Was party to over 65 awards and more than 95 collective agreements in current operation across the finance sector;
- Made approximately 40 applications to the Australian Industrial Relations Commission regarding industrial disputes, award variations and seeking award coverage of award free employees;
- Negotiated and had certified 16 union collective agreements covering approximately 40,466 employees;
- Made submissions to, and appeared before, Commonwealth of Australia Parliamentary Committees and various Federal and State Inquiries and consultations.

There was no significant change to the nature of the activities of the reporting unit during the reporting period. There were no significant changes to the reporting unit's financial affairs during the reporting period.

In accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009, members of the reporting unit may resign from membership by written notice addressed and delivered to the National Secretary or the relevant Local Executive Secretary.

In accordance with section 230 of the Fair Work (Registered Organisations) Act 2009, the reporting unit had a recorded 42,782 members at the end of the reporting period.

The reporting unit employed 182 FTE employees nationally at the end of the reporting period.

The name of each person holding a position on the National Executive of the reporting unit during the reporting period is as follows:

Arnfield L.	Ferrari P.R.M.
Bampton M.D.	Gordon C.A.
Black D.A.	Hill J. (to 24/7/09)
Buckland J. (from 1/9/09)	Jordan F.S.
Carter L.	Marshall D. (from 15/2/10)
Clifford M.S.	Martin D.L.
Derrick G.	Ruwoldt J.M.
Fay A.C.	Young L.G. (to 15/2/10)

No officer or member of the Finance Sector Union is a trustee (or a director of a company that is a trustee) of a superannuation entity, where a criteria for them being a trustee (or a director) is that they are an officer or member of the Finance Sector Union.



Leon Carter
National Secretary

Signed at Melbourne this 12th day of November, 2010

DISCUSSION AND ANALYSIS OF FINANCIAL POSITION

The Annual Accounts for the year ended June 30, 2010 disclose a net deficit from ordinary activities for the period of \$1,127,014 which represents a significant improvement on the results of the two previous years.

The following major factors have impacted on this result and comparisons with the prior year:

Income:

- (a) The unrealised market value of managed funds held by the Union increased by \$1,123,405 during the financial year, in line with recoveries on worldwide financial markets. This increase in value has effectively offset the unrealised losses incurred over the two previous years.
- (b) Income from member subscriptions increased by \$228,063, following a 3.5% increase in subscription rates at the beginning of the year and a slow down in the decline in total membership.
- (c) Further properties were sold during the year, as part of a continuing strategy to reduce exposure to the property market and to realise under-utilised properties. Net profits of \$228,135 were realised from these sales.

Expenditure:

- (a) Operating Expenditure, before depreciation, reduced by \$423,172, compared to the prior year. This cost saving, which follows a corresponding reduction of \$491,266 last year, is a product of the restructure and rationalisation of operations that has been undertaken in recent years.
- (b) A further \$373,200 in redundancy payments was incurred during the year, as a result of ongoing restructuring.

Financial Position:

The economic entity remains in a strong financial position, with net assets of \$45.8 million. Cash reserves and receivables of \$14.8 million contributed to a working capital surplus of \$11.4 million (ie current assets minus current liabilities).

CONCISE FINANCIAL REPORT

The National Executive (Committee of Management) of the Finance Sector Union of Australia has resolved to provide a concise financial report to members for the financial year ended June 30, 2010.

The concise financial report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report. A copy of the full report and auditor's report will be sent to any member who requests them, free of charge.

Members are advised of the following provision of the Fair Work (Registered Organisations) Act 2009:

272 Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or a General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2010

	Economic Entity		Parent Entity	
	2010 (\$)	2009 (\$)	2010 (\$)	2009 (\$)
Income From Ordinary Activities	20,525,488	18,305,506	20,516,762	18,349,904
Expenses From Ordinary Activities				
Employee Benefits	(14,886,671)	(14,559,579)	(14,886,671)	(14,559,579)
Building & Equipment Expenses	(1,343,348)	(1,385,650)	(1,892,169)	(1,893,171)
Industrial & Campaign Expenses	(870,203)	(975,614)	(870,203)	(975,614)
Depreciation	(1,371,101)	(1,313,120)	(830,332)	(846,844)
ACTU Affiliation Fees	(121,404)	(120,382)	(121,404)	(120,382)
Office Expenses	(1,422,870)	(1,745,447)	(1,422,870)	(1,745,447)
Other Expenses	(1,636,905)	(1,917,901)	(1,620,127)	(1,921,054)
	(21,652,502)	(22,017,693)	(21,643,776)	(22,062,091)
NET SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES	(1,127,014)	(3,712,187)	(1,127,014)	(3,712,187)
Other Comprehensive Income				
Gain / (Loss) on listed shares held for long term investment	49,233	(44,312)	49,233	(44,312)
Gain on revaluation of land and buildings	-	7,354,713	-	211,500
TOTAL COMPREHENSIVE SURPLUS / (DEFICIT)	(1,077,781)	3,598,214	(1,077,781)	(3,544,999)

STATEMENT OF FINANCIAL POSITION as at 30 June 2010

	Economic Entity		Parent Entity	
	2010 (\$)	2009 (\$)	2010 (\$)	2009 (\$)
TOTAL ACCUMULATED FUNDS	45,824,837	46,902,618	33,371,806	34,449,587
represented by:				
CURRENT ASSETS				
Cash	13,950,438	11,417,479	13,760,221	11,218,241
Receivables	875,597	892,526	833,214	822,215
Available-for-sale property	-	625,000	-	625,000
Prepayments	241,977	377,329	204,038	306,807
TOTAL CURRENT ASSETS	15,068,012	13,312,334	14,797,473	12,972,263
NON CURRENT ASSETS				
Receivables	236,001	238,398	20,736,001	20,738,398
Financial Assets	7,564,431	6,169,000	7,564,431	6,169,000
Available-for-sale financial assets	392,728	343,148	392,728	343,148
Property, Plant & Equipment	27,357,697	31,779,078	2,365,322	3,339,078
TOTAL NON CURRENT ASSETS	35,550,857	38,529,624	31,058,482	30,589,624
TOTAL ASSETS	50,618,869	51,841,958	45,855,955	43,561,887
CURRENT LIABILITIES				
Accounts Payable	1,510,158	1,708,097	9,200,275	5,881,057
Provision - Employee Entitlements	2,130,058	2,052,083	2,130,058	2,052,083
TOTAL CURRENT LIABILITIES	3,640,216	3,760,180	11,330,333	7,933,140
NON CURRENT LIABILITIES				
Provision - Employee Entitlements	1,153,816	1,179,160	1,153,816	1,179,160
TOTAL NON CURRENT LIABILITIES	1,153,816	1,179,160	1,153,816	1,179,160
TOTAL LIABILITIES	4,794,032	4,939,340	12,484,149	9,112,300
NET ASSETS	45,824,837	46,902,618	33,371,806	34,449,587

STATEMENT OF CHANGES IN EQUITY as at 30 June 2010

	General Fund	Asset Revaluation Reserve	Total
	\$	\$	\$
ECONOMIC ENTITY			
Total at the beginning of the financial year	36,072,851	7,231,553	43,304,404
Surplus / (Deficit) from ordinary activities	(3,712,187)	-	(3,712,187)
Gain / (Loss) on listed shares held for long term investment	-	(44,312)	(44,312)
Gain on revaluation of land and buildings	-	7,354,713	7,354,713
Balance as at 30 June 2009	32,360,664	14,541,954	46,902,618
Surplus / (Deficit) from ordinary activities	(1,127,014)	-	(1,127,014)
Gain / (Loss) on listed shares held for long term investment	-	49,233	49,233
Gain on revaluation of land and buildings	-	-	-
Balance as at 30 June 2010	31,233,650	14,591,187	45,824,837
PARENT ENTITY			
Total at the beginning of the financial year	36,072,849	1,921,737	37,994,586
Surplus / (Deficit) from ordinary activities	(3,712,187)	-	(3,712,187)
Gain / (Loss) on listed shares held for long term investment	-	(44,312)	(44,312)
Gain on revaluation of land and buildings	-	211,500	211,500
Balance as at 30 June 2009	32,360,662	2,088,925	34,449,587
Surplus / (Deficit) from ordinary activities	(1,127,014)	-	(1,127,014)
Gain / (Loss) on listed shares held for long term investment	-	49,233	49,233
Gain on revaluation of land and buildings	-	-	-
Balance as at 30 June 2010	31,233,648	2,138,158	33,371,806

STATEMENT OF CASH FLOWS for the year ended 30 June 2010

	Economic Entity		Parent Entity	
	2010 (\$)	2009 (\$)	2010 (\$)	2009 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Members	17,232,384	16,924,732	17,232,384	16,924,732
Interest Received	11,263	703,718	3,876	693,505
Rent	1,141,273	1,074,371	-	-
Other	789,491	263,490	789,491	263,490
Interest Paid	-	-	-	-
Payments to Suppliers and Employees	(20,603,966)	(20,797,687)	(19,547,405)	(19,287,073)
CASH FLOW PROVIDED BY / (USED) IN OPERATING ACTIVITIES	(1,429,555)	(1,831,376)	(1,521,654)	(1,405,346)
CASH FLOWS FROM INVESTING ACTIVITIES				
Amelioration Fund loans advanced/repaid	49,090	428,160	49,090	428,160
Net OLI bonus payments distributed	(4,262)	(655)	(4,262)	(655)
Purchase of property, plant and equipment	(367,268)	(784,116)	(294,953)	(447,510)
Proceeds from the sale of fixed assets	4,285,301	179,392	1,085,301	179,392
Purchase of Listed Shares	(347)	-	(347)	-
CASH FLOW PROVIDED BY / (USED) IN INVESTING ACTIVITIES	3,962,514	(177,219)	834,829	159,387
CASH FLOWS FROM FINANCING ACTIVITIES				
Funding from Property Trust	-	-	3,228,805	(666,761)
CASH FLOW PROVIDED BY / (USED) IN FINANCING ACTIVITIES	-	-	3,228,805	(666,761)
NET CASH INCREASE / (DECREASE)	2,532,959	(2,008,595)	2,541,980	(1,912,720)
CASH AT THE BEGINNING OF THE YEAR	11,417,479	13,426,074	11,218,241	13,130,961
CASH AT THE END OF THE FINANCIAL YEAR	13,950,438	11,417,479	13,760,221	11,218,241

STATEMENT OF THE NATIONAL EXECUTIVE

On November 11, 2010 the National Executive (Committee of Management) of the Finance Sector Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended June 30, 2010:

The National Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organization including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) no requests for information have been received from a member of the reporting unit or a General Manager under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (v) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (vi) there has been no recovery of wages for the financial year.

Signed on behalf of the National Executive



C. GORDON
NATIONAL PRESIDENT



L.J. CARTER
NATIONAL SECRETARY

Signed at Melbourne this 12th day of November, 2010

Independent Auditor's Report To The Members Of The Finance Sector Union of Australia

REPORT ON THE CONCISE FINANCIAL REPORT

The accompanying concise financial report of the Finance Sector Union of Australia comprises the Statement of Financial Position as at 30 June 2010, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, derived from the audited financial report of the Finance Sector Union of Australia for the year ended 30 June 2010, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

NATIONAL EXECUTIVE'S RESPONSIBILITY FOR THE CONCISE REPORT

The National Executive are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Finance Sector Union of Australia for the year ended 30 June 2010. Our audit report on the financial report for the year was signed on 12 November 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

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

AUDITOR'S OPINION

In our opinion, the concise financial report including the discussion and analysis of the Finance Sector Union of Australia for the year ended 30 June 2010 complies with Accounting Standard AASB 1039: Concise Financial Reports and the requirements imposed by Part 3 of Chapter 8 the Fair Work (Registered Organisations) Act 2009.

WHK HORWATH MELBOURNE

A handwritten signature in black ink, appearing to read 'Peter Sexton'.

Peter Sexton
Partner
12 November 2010

Member of the Institute of Chartered Accountants in Australia
And holder of a Current Public Practice Certificate
Registered Company Auditor # 85044

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