



FSU
AUSTRALIA
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19 December 2011

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

Dear Sir/Madam,

RE: FINANCIAL DOCUMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

FINANCIAL STATEMENTS

30 JUNE 2011

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

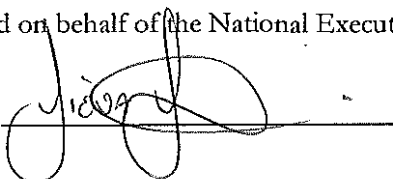
STATEMENT OF THE NATIONAL EXECUTIVE

On November 9, 2011 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, 2011:

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



**F. JORDAN
NATIONAL PRESIDENT**



**L.J. CARTER
NATIONAL SECRETARY**

Signed at Melbourne this 9th day of November, 2011

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Economic Entity		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Income from Ordinary Activities	2	20,405,548	20,525,488	20,506,591	20,516,762
Expenses From Ordinary Activities					
Employee Benefits		(14,575,171)	(14,886,671)	(14,575,171)	(14,886,671)
Building & Equipment Expenses		(1,318,137)	(1,343,348)	(1,933,052)	(1,892,169)
Industrial & Campaign Expenses		(745,694)	(870,203)	(745,694)	(870,203)
Depreciation		(1,304,999)	(1,371,101)	(797,781)	(830,332)
ACTU Affiliation Fees		(174,993)	(121,404)	(174,993)	(121,404)
Office Expenses		(1,578,419)	(1,422,870)	(1,578,419)	(1,422,870)
Other Expenses		(1,272,376)	(1,636,905)	(1,265,722)	(1,620,127)
		<u>(20,969,789)</u>	<u>(21,652,502)</u>	<u>(21,070,832)</u>	<u>(21,643,776)</u>
NET DEFICIT FROM ORDINARY ACTIVITIES	2	<u>(564,241)</u>	<u>(1,127,014)</u>	<u>(564,241)</u>	<u>(1,127,014)</u>
Other Comprehensive Income					
Gain on listed shares held for long term investment		16,424	49,233	16,424	49,233
TOTAL COMPREHENSIVE DEFICIT		<u>(547,817)</u>	<u>(1,077,781)</u>	<u>(547,817)</u>	<u>(1,077,781)</u>

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF FINANCIAL POSITION
As At 30 JUNE 2011

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
TOTAL ACCUMULATED FUNDS		<u>45,277,020</u>	<u>45,824,837</u>	<u>32,823,989</u>	<u>33,371,806</u>
represented by:					
CURRENT ASSETS					
Cash and equivalents	13 (a)	14,017,809	13,950,438	13,922,115	13,760,221
Trade and other receivables	3	917,387	875,597	857,277	833,214
Available-for-sale property	15	-	-	-	-
Other assets		<u>244,996</u>	<u>241,977</u>	<u>220,619</u>	<u>204,038</u>
TOTAL CURRENT ASSETS		<u>15,180,192</u>	<u>15,068,012</u>	<u>15,000,011</u>	<u>14,797,473</u>
NON CURRENT ASSETS					
Trade and other receivables	3	179,910	236,001	20,679,910	20,736,001
Financial Assets	4	8,360,229	7,564,431	8,360,229	7,564,431
Available-for-sale financial assets	4	409,152	392,728	409,152	392,728
Property, Plant & Equipment	5	<u>26,013,062</u>	<u>27,357,697</u>	<u>1,782,899</u>	<u>2,365,322</u>
TOTAL NON CURRENT ASSETS		<u>34,962,353</u>	<u>35,550,857</u>	<u>31,232,190</u>	<u>31,058,482</u>
TOTAL ASSETS		<u>50,142,545</u>	<u>50,618,869</u>	<u>46,232,201</u>	<u>45,855,955</u>
CURRENT LIABILITIES					
Trade and other payables	6	1,502,442	1,510,158	10,045,129	9,200,275
Provision - Employee Entitlements	9	<u>2,160,080</u>	<u>2,130,058</u>	<u>2,160,080</u>	<u>2,130,058</u>
TOTAL CURRENT LIABILITIES		<u>3,662,522</u>	<u>3,640,216</u>	<u>12,205,209</u>	<u>11,330,333</u>
NON CURRENT LIABILITIES					
Provision - Employee Entitlements	9	<u>1,203,003</u>	<u>1,153,816</u>	<u>1,203,003</u>	<u>1,153,816</u>
TOTAL NON CURRENT LIABILITIES		<u>1,203,003</u>	<u>1,153,816</u>	<u>1,203,003</u>	<u>1,153,816</u>
TOTAL LIABILITIES		<u>4,865,525</u>	<u>4,794,032</u>	<u>13,408,212</u>	<u>12,484,149</u>
NET ASSETS		<u>45,277,020</u>	<u>45,824,837</u>	<u>32,823,989</u>	<u>33,371,806</u>

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2011

	General Fund	Asset Revaluation Reserve	Total
	\$	\$	\$
ECONOMIC ENTITY			
Total at the beginning of the financial year	32,360,664	14,541,954	46,902,618
Deficit from ordinary activities	(1,127,014)	-	(1,127,014)
Gain on listed shares held for long term investment	-	49,233	49,233
Balance as at 30 June 2010	<u>31,233,650</u>	<u>14,591,187</u>	<u>45,824,837</u>
Deficit from ordinary activities	(564,241)	-	(564,241)
Gain on listed shares held for long term investment	-	16,424	16,424
Balance as at 30 June 2011	<u>30,669,409</u>	<u>14,607,611</u>	<u>45,277,020</u>
PARENT ENTITY			
Total at the beginning of the financial year	32,360,662	2,088,925	34,449,587
Deficit from ordinary activities	(1,127,014)	-	(1,127,014)
Gain on listed shares held for long term investment	-	49,233	49,233
Balance as at 30 June 2010	<u>31,233,648</u>	<u>2,138,158</u>	<u>33,371,806</u>
Deficit from ordinary activities	(564,241)	-	(564,241)
Gain on listed shares held for long term investment	-	16,424	16,424
Balance as at 30 June 2011	<u>30,669,407</u>	<u>2,154,582</u>	<u>32,823,989</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 2011

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Members		17,368,960	17,232,384	17,368,960	17,232,384
Interest Received		691,068	11,263	689,379	3,876
Rent		1,165,440	1,141,273	-	-
Other		543,037	789,491	543,037	789,491
Payments to Suppliers and Employees		(20,044,218)	(20,603,966)	(19,065,362)	(19,547,405)
CASH FLOW USED IN OPERATING ACTIVITIES	13 (b)	(275,713)	(1,429,555)	(463,986)	(1,521,654)
CASH FLOWS FROM INVESTING ACTIVITIES					
Amelioration Fund loans advanced/repaid		127,725	49,090	127,725	49,090
Net OLI bonus payments distributed		288	(4,262)	288	(4,262)
Purchase of property, plant and equipment		(344,870)	(367,268)	(344,870)	(294,953)
Proceeds from the sale of fixed assets		399,223	4,285,301	150,570	1,085,301
Purchase of Listed Shares		-	(347)	-	(347)
GST Recovered from sale of property		160,718	-	160,718	-
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		343,084	3,962,514	94,431	834,829
CASH FLOWS FROM FINANCING ACTIVITIES					
Funding from Property Trust		-	-	531,449	3,228,805
CASH FLOW PROVIDED BY FINANCING ACTIVITIES		-	-	531,449	3,228,805
NET CASH INCREASE		67,371	2,532,959	161,894	2,541,980
CASH AT THE BEGINNING OF THE YEAR		13,950,438	11,417,479	13,760,221	11,218,241
CASH AT THE END OF THE FINANCIAL YEAR	13 (a)	14,017,809	13,950,438	13,922,115	13,760,221

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 2011

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 2011

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 2011

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.

(i) *Comparative Figures*

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

(j) *Critical Accounting Estimates and Judgements*

The Committee of Management evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key Estimates

i. *Impairment*

The Union assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. There have been no impairment triggers identified to impact on the Union at 30 June 2011.

Key Judgements

i. *Provision for impairment of receivables*

The collectability of UCF loans was assessed at year end and a general provision has been made for doubtful loans.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 2: OPERATING SURPLUS/(DEFICIT)				
Operating deficit before abnormal items and income tax has been determined after:				
<i>(a) Charging as an expense</i>				
Salaries and salary oncosts				
- Officers remuneration	618,524	582,125	618,524	582,125
- Employees remuneration	10,068,014	10,281,023	10,068,014	10,281,023
- Superannuation contributions	1,811,969	1,848,587	1,811,969	1,848,587
- Redundancy & Termination Payments	197,654	373,200	197,654	373,200
- Other payroll on-costs	1,523,619	1,471,455	1,523,619	1,471,455
Allowances	83,813	75,039	83,813	75,039
Meeting expenses	127,299	68,054	127,299	68,054
Office rent	373,917	359,486	1,628,198	1,590,892
Other office and building expenses	944,220	983,862	304,854	301,277
Auditors remuneration				
- Auditing the accounts	69,350	78,530	64,350	73,530
- Other services	4,715	2,596	4,715	2,596
Legal fees	67,163	88,908	66,169	77,795
Other professional fees	1,667	55,788	1,667	55,788
Operating lease/rental of office equipment	562,158	545,862	562,158	545,862
Depreciation	812,244	824,432	797,781	823,243
Amortisation of freehold buildings	492,755	546,669	-	7,089
Profit on sale of property, plant & equipment	(175,435)	(242,753)	(181,777)	(21,923)
Affiliations – ACTU, TLCs, ALP, Other	515,550	467,297	515,550	467,297
Donations and grants	11,550	13,349	11,550	13,349
Amelioration fund				
- Mortuary benefits	162,280	142,188	162,280	142,188
- Grants	15,230	2,213	15,230	2,213
- Remission of debts	7,545	16,944	7,545	16,944
<i>(b) Crediting as income</i>				
Subscriptions	17,053,302	17,159,622	17,053,302	17,159,622
Interest	702,012	463,549	700,323	456,162
Dividend income	24,148	20,521	24,148	20,521
Increase in market value of managed funds	942,876	1,123,405	942,876	1,123,405
Rent received	1,183,167	1,114,562	-	-
<i>(c) Significant items of income/ (expenditure)</i>				
	-	-	-	-

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 3: RECEIVABLES				
<i>CURRENT</i>				
Subscriptions deducted not remitted	114,964	221,170	114,964	221,170
Sundry debtors	472,044	252,414	411,934	210,031
Less provision for doubtful debts	-	-	-	-
	<u>587,008</u>	<u>473,584</u>	<u>526,898</u>	<u>431,201</u>
Amelioration fund loans to members	480,379	552,013	480,379	552,013
Less provision for doubtful debts	(150,000)	(150,000)	(150,000)	(150,000)
	<u>330,379</u>	<u>402,013</u>	<u>330,379</u>	<u>402,013</u>
	<u>917,387</u>	<u>875,597</u>	<u>857,277</u>	<u>833,214</u>
<i>NON-CURRENT</i>				
Amelioration fund loans to members	179,910	236,001	179,910	236,001
FSU Property Pty Ltd	-	-	20,500,000	20,500,000
	<u>179,910</u>	<u>236,001</u>	<u>20,679,910</u>	<u>20,736,001</u>
NOTE 4: NON CURRENT ASSETS				
Financial assets at fair value through profit or loss				
- Managed investments	8,359,200	7,563,402	8,359,200	7,563,402
- Units - unlisted trusts	36,935	32,348	36,935	32,348
less provision for diminution	(35,906)	(31,319)	(35,906)	(31,319)
	<u>1,029</u>	<u>1,029</u>	<u>1,029</u>	<u>1,029</u>
Total financial assets through profit or loss	<u>8,360,229</u>	<u>7,564,431</u>	<u>8,360,229</u>	<u>7,564,431</u>
Available-for-sale financial assets				
- Shares in listed companies at market value	409,152	392,728	409,152	392,728

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

	Economic Entity		Parent Entity	
	2011 \$	2010 \$	2011 \$	2010 \$
NOTE 5: PROPERTY, PLANT & EQUIPMENT				
<i>Freehold Land & Buildings:</i>				
Freehold land at:				
- independent valuation December 2008	5,525,000	5,665,000	-	-
- at cost	-	-	-	-
Total Freehold Land	<u>5,525,000</u>	<u>5,665,000</u>	-	-
Buildings at:				
- independent valuation December 2008	19,630,000	19,750,000	-	-
- at cost	-	-	-	-
less accumulated depreciation	(981,500)	(493,750)	-	-
Total Buildings	<u>18,648,500</u>	<u>19,256,250</u>	-	-
Total Freehold Land & Buildings	<u>24,173,500</u>	<u>24,921,250</u>	-	-
<i>Plant & Equipment:</i>				
Furniture & Fittings - at cost	4,281,489	4,225,589	4,209,175	4,153,275
less accumulated depreciation	(3,206,517)	(2,555,772)	(3,190,866)	(2,554,583)
	<u>1,074,972</u>	<u>1,669,817</u>	<u>1,018,309</u>	<u>1,598,692</u>
Motor Vehicles - at cost	1,065,309	1,093,109	1,065,309	1,093,109
less accumulated depreciation	(300,719)	(326,479)	(300,719)	(326,479)
	<u>764,590</u>	<u>766,630</u>	<u>764,590</u>	<u>766,630</u>
Total Plant & Equipment	<u>1,839,562</u>	<u>2,436,447</u>	<u>1,782,899</u>	<u>2,365,322</u>
Total Property, Plant & Equipment	<u>26,013,062</u>	<u>27,357,697</u>	<u>1,782,899</u>	<u>2,365,322</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	13,640	15,936	13,640	15,936
Other	1,488,802	1,494,222	10,031,489	9,184,339
	<u>1,502,442</u>	<u>1,510,158</u>	<u>10,045,129</u>	<u>9,200,275</u>

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 7: GROUP ENTITIES

Subsidiary

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

	<u>2011</u>	<u>2010</u>
Country of incorporation	Australia	Australia
Percentage owned	100%	100%
Investment at cost	\$2	\$2
Contribution to group operating surplus	\$nil	\$nil

Rent of \$1,628,198 (2010 - \$1,590,892) 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 \$1,279,558 (2010 - \$1,334,054) at the end of the year.

<u>Economic Entity</u>		<u>Parent Entity</u>	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTE 8: REMUNERATION & RETIREMENT BENEFITS

a) Remuneration received or receivable by National Executive Delegates.	<u>669,979</u>	<u>621,076</u>	<u>669,979</u>	<u>621,076</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>109,352</u>	<u>114,556</u>	<u>109,352</u>	<u>114,556</u>

NOTE 9: PROVISION – EMPLOYEE ENTITLEMENTS

Officers	444,559	402,991	449,559	402,991
Employees	2,918,524	2,880,883	2,918,524	2,880,883
	<u>3,363,083</u>	<u>3,283,874</u>	<u>3,363,083</u>	<u>3,283,874</u>
<i>Shown as:</i>				
Current	2,160,080	2,130,058	2,160,080	2,130,058
Non Current	1,203,003	1,153,816	1,203,003	1,153,816
	<u>3,363,083</u>	<u>3,283,874</u>	<u>3,363,083</u>	<u>3,283,874</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 2011**

NOTE 11: OPERATING LEASE COMMITMENT

As at 30 June 2011 the Finance Sector Union of Australia has a commitment to two operating leases, with Cisco Systems Capital (Australia) Pty Ltd and Ricoh Australia Pty Ltd as the lessors. These operating leases relate to telephony and printers.

Future lease commitments are as follows:

	<u>2011</u>	<u>2010</u>
0 - 1 year	\$331,442	\$538,109
1 - 5 years	\$761,519	\$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).

<u>Economic Entity</u>		<u>Parent Entity</u>	
2011	2010	2011	2010
\$	\$	\$	\$

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 statement of financial position as follows:

Cash on hand	4,283	3,973	4,283	3,958
Cash at bank	11,172,762	11,252,780	11,077,068	11,062,578
Managed investments – cash component	2,840,764	2,693,685	2,840,764	2,693,685
Bank overdraft	-	-	-	-
	<u>14,017,809</u>	<u>13,950,438</u>	<u>13,922,115</u>	<u>13,760,221</u>
Overdraft facility limit	-	300,000	-	300,000

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<u>NOTE 13: CASH FLOW INFORMATION (CONT'D)</u>				
(b) Reconciliation of Cash Flow from Operations with Operating Deficit after income tax:				
Operating deficit after income tax	(564,241)	(1,127,014)	(564,241)	(1,127,014)
Non Cash Flows in Operating Deficit				
Depreciation & amortisation	1,304,999	1,371,101	797,781	830,332
Increase in market value of non-current investments	(795,797)	(1,395,432)	(795,797)	(1,395,432)
Profit on sale of assets	(175,435)	(242,753)	(181,777)	(21,923)
Write down of OLI bonus payment liabilities	-	(14,135)	-	(14,135)
Changes in Assets & Liabilities				
Increase / (Decrease) in accounts payable	(215,935)	(27,389)	(243,453)	4,124
Increase / (Decrease) in provision for employee entitlements	81,937	(253,429)	81,937	(253,429)
Increase in loan – Property Trust	-	-	348,640	256,838
Decrease / (Increase) in subscriptions owing	315,658	(72,762)	315,658	72,762
Decrease / (Increase) in sundry receivables	(223,881)	51,382	(206,153)	23,454
Decrease / (Increase) in prepayments	(3,018)	135,352	(16,581)	102,769
Cash Flow from Operations	<u>(275,713)</u>	<u>(1,429,555)</u>	<u>(463,986)</u>	<u>(1,521,654)</u>

NOTE 14: FINANCIAL INSTRUMENTS

The Union's financial instruments consist mainly of deposits with banks, investment funds managed on behalf of the Union in a range of investment trusts, 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.

Managed funds are managed by Jana Investment Advisers Pty Ltd (JANA). Funds are placed in various investment trusts, collectively known as the JANA Investment Trusts, within the JANA Implemented Consulting Investment Platform. MLC Investments Limited is the responsible entity and trustee of the Trusts and is ultimately responsible for all aspects of operating the Trusts. The funds are invested in Australian Equities, International Equities (Hedged), Fixed Interest and Cash products.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 14: FINANCIAL INSTRUMENTS (CONT'D)

	Weighted Average Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate Maturing	
				Within 1 Year	Within 1 to 5 Years
<u>2010</u>					
<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		7,564,431		
Available for sale assets	N/A		392,728		
Available for sale property	N/A		-		
Receivables	5.00%		473,584	402,013	236,001
Total Financial Assets		13,946,465	8,434,716	402,013	236,001
<i>Financial Liabilities</i>					
Accounts Payable	N/A		1,510,158		
Total Financial Liabilities		-	1,510,158	-	-
<u>2011</u>					
<i>Financial Assets</i>					
Cash on hand	N/A		4,283		
Cash at bank	5.99%	11,172,762			
Managed investments - Cash	5.46%	2,840,764			
Managed investments	N/A		8,360,229		
Available for sale assets	N/A		409,152		
Available for sale property	N/A		-		
Receivables	5.00%		587,008	330,379	179,910
Total Financial Assets		14,013,526	9,360,672	330,379	179,910
<i>Financial Liabilities</i>					
Accounts Payable	N/A		1,502,442		
Total Financial Liabilities		-	1,502,442	-	-

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.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15: FINANCIAL INSTRUMENTS (CONT'D)

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.

(b) Liquidity Risk

Subscription revenue from members for the year ended June 30, 2011 of \$17.1 million (2010 - \$17.2 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 \$14.0 million, contributing to a working capital surplus of \$11.5 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 a small amount deposited with Members Equity Bank.

Accounts receivable, subject to interest rates, are loans made to members through the Amelioration Fund of the Union. The interest rate 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 REPORTING DATE

(a) Investment Valuations

Investments shown in these accounts are shown at their value as at June 30, 2011. Since that date, financial markets in Australia have deteriorated in value, and the value of the Union's investments has also deteriorated.

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 (2010: \$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 2011. 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.

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 2011, 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*.

A handwritten signature in black ink, appearing to read "Crowe Horwath".

CROWE HORWATH MELBOURNE

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

Peter Sexton
Partner
Level 17, 181 William Street, Melbourne, Victoria

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

Dated this 9th day of November 2011

**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 2011, as referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
 - the Operating Report for the year ended 30 June 2011; and
 - the Discussion and Analysis of Financial Position; and
 - the Concise Financial Report, including Auditor's Report, of the reporting unit, for the financial year ended 30 June 2011, as referred to in s268 of the Fair Work (Registered Organisations) Act 2009.
- that the Full Financial Report, Operating Report, Discussion and Analysis of Financial Position and Concise Financial Report, for the financial year ended 30 June 2011, were presented to a meeting of the Committee of Management of the reporting unit, on 9 November 2011, in accordance with s266 of the Fair Work (Registered Organisations) Act 2009;
- that on 9 November 2011, the Committee of Management of the reporting unit, resolved that the national President and National Secretary be authorised to sign the Committee of Management Statement, on behalf of the Committee of Management;
- that on 9 November 2011, the Committee of Management of the reporting unit resolved that the Concise Financial Report for the financial year ended June 30 2011 be adopted for presentation to members, in accordance with Section 265 (2) of the Fair Work (Registered Organisations) Act 2009;
- that on 9 November 2011, the Committee of Management of the reporting unit resolved that the Operating Report for the financial year ended 30 June 2011 and the Discussion and Analysis of Financial Position be adopted in accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 for inclusion in the full report and the concise report for presentation to members;
- that the Concise Report, including Operating Report, Discussion and Analysis of Financial Position and Concise Financial Report, was circulated to members on 25 November, 2011;
- that the Full Financial Report, Operating Report, Discussion and Analysis of Financial Position and Concise Financial Report, for the financial year ended 30 June 2011, were represented to a meeting of the Committee of Management of the reporting unit, on 16 December 2011, in accordance with s266 of the Fair Work (Registered Organisations) Act 2009;

- that on 16 December 2011, the Committee of Management of the reporting unit resolved to finally adopt the 2010/2011 annual accounts and that the National Secretary be authorised to provide the appropriate certification to Fair Work Australia.

A handwritten signature in black ink, appearing to read 'L. Carter', written over a horizontal line.

LEON J. CARTER
NATIONAL SECRETARY

Signed at Melbourne this 19th day of December, 2011

Finance Sector Union of Australia (the reporting unit)

OPERATING REPORT for the period 1 July 2010 to 30 June 2011

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 1/7/10 - 30/6/11, the Finance Sector Union:

- Received application for and admitted 6,716 members;
- Appointed over 871 members as FSU workplace representatives;
- Provided training to 1,028 workplace representatives;
- Provided representation to 8,886 members at the workplace or enterprise level;
- Was party to 65 awards and more than 85 collective agreements in current operation across the finance sector;
- Made approximately 59 applications to Fair Work Australia regarding industrial disputes, award variations and seeking award coverage of award free employees.
- Negotiated and had approved 29 enterprise agreements covering approximately 124,000 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 41,375 members at the end of the reporting period.

The reporting unit employed 157 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.	Filipovski B. (from 31/12/10)
Bampton M.D. (to 31/12/10)	Gordon C.A. (to 17/2/11)
Black D.A.	Jordan F.S. (to 31/12/10)
Buckland J. (to 31/12/10)	Jordan F.S. (from 3/6/11)
Conlan W. (from 31/12/10)	Marshall D.
Carter L.	Martin D.L.
Clifford M.S.	McWhirter P.A. (from 31/12/10)
Derrick G.	O'Connell A.M. (from 31/12/10)
Doolan E. (from 22/4/11)	Pearce S.J. (from 31/12/10)
Fay A.C.	Ruwoldt J.M. (to 31/7/10)
Ferrari P.R.M. (to 3/6/11)	Waclawik P. (from 8/10/10)

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 9th day of November, 2011

DISCUSSION AND ANALYSIS OF FINANCIAL POSITION

The Financial Statements of the Union for the year ended June 30, 2011 disclose a net deficit from ordinary activities for the period of \$564,241. This result represents a significant improvement on the previous financial year's net deficit from ordinary activities of \$1,127,014 and continues the improvement in financial performance that has been achieved in recent 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 \$942,876 during the financial year, in line with continued recoveries on worldwide financial markets. This follows a gain of \$1,123,405 last year.
- (b) Interest Income increased by \$238,463, reflecting an increase in cash holdings resulting from the sale of under utilised and under performing properties, in recent years.
- (c) Income from member subscriptions was in line with the previous year.
- (d) A GST recovery of \$160,718, relating to the sale of property during the 2007/2008 financial year, was brought to account during the year.

Expenditure:

- (a) Operating Expenditure, before depreciation, reduced by \$616,611, compared to the prior year. This cost saving, which follows corresponding reductions of \$423,172 last year and \$491,266 in 2008/2009, is a product of the restructuring and rationalisation of operations that has been undertaken in recent years.
- (b) A further \$197,654 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 \$45.3 million. Cash reserves and receivables of \$14.9 million contributed to a working capital surplus of \$11.5 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, 2011.

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 2011

	Economic Entity		Parent Entity	
	2011 (\$)	2010 (\$)	2011 (\$)	2010 (\$)
Income From Ordinary Activities	20,405,548	20,525,488	20,506,591	20,516,762
Expenses From Ordinary Activities				
Employee Benefits	(14,575,171)	(14,886,671)	(14,575,171)	(14,886,671)
Building & Equipment Expenses	(1,318,137)	(1,343,348)	(1,933,052)	(1,892,169)
Industrial & Campaign Expenses	(745,694)	(870,203)	(745,694)	(870,203)
Depreciation	(1,304,999)	(1,371,101)	(797,781)	(830,332)
ACTU Affiliation Fees	(174,993)	(121,404)	(174,993)	(121,404)
Office Expenses	(1,578,419)	(1,422,870)	(1,578,419)	(1,422,870)
Other Expenses	(1,272,376)	(1,636,905)	(1,265,722)	(1,620,127)
	(20,969,789)	(21,652,502)	(21,070,832)	(21,643,776)
NET DEFICIT FROM ORDINARY ACTIVITIES	(564,241)	(1,127,014)	(564,241)	(1,127,014)
Other Comprehensive Income				
Gain on listed shares held for long term investment	16,424	49,233	16,424	49,233
Gain on revaluation of land and buildings	-	-	-	-
TOTAL COMPREHENSIVE DEFICIT	(547,817)	(1,077,781)	(547,817)	(1,077,781)

STATEMENT OF FINANCIAL POSITION as at 30 June 2011

	Economic Entity		Parent Entity	
	2011 (\$)	2010 (\$)	2011 (\$)	2010 (\$)
TOTAL ACCUMULATED FUNDS	45,277,020	45,824,837	32,823,989	33,371,806
represented by:				
CURRENT ASSETS				
Cash and equivalents	14,017,809	13,950,438	13,922,115	13,760,221
Trade and other receivables	917,387	875,597	857,277	833,214
Available-for-sale property	-	-	-	-
Other assets	244,996	241,977	220,619	204,038
TOTAL CURRENT ASSETS	15,180,192	15,068,012	15,000,011	14,797,473
NON CURRENT ASSETS				
Trade and other receivables	179,910	236,001	20,679,910	20,736,001
Financial Assets	8,360,229	7,564,431	8,360,229	7,564,431
Available-for-sale financial assets	409,152	392,728	409,152	392,728
Property, Plant & Equipment	26,013,062	27,357,697	1,782,899	2,365,322
TOTAL NON CURRENT ASSETS	34,962,353	35,550,857	31,232,190	31,058,482
TOTAL ASSETS	50,142,545	50,618,869	46,232,201	45,855,955
CURRENT LIABILITIES				
Trade and other payables	1,502,442	1,510,158	10,045,129	9,200,275
Provision - Employee Entitlements	2,160,080	2,130,058	2,160,080	2,130,058
TOTAL CURRENT LIABILITIES	3,662,522	3,640,216	12,205,209	11,330,333
NON CURRENT LIABILITIES				
Provision - Employee Entitlements	1,203,003	1,153,816	1,203,003	1,153,816
TOTAL NON CURRENT LIABILITIES	1,203,003	1,153,816	1,203,003	1,153,816
TOTAL LIABILITIES	4,865,525	4,794,032	13,408,212	12,484,149
NET ASSETS	45,277,020	45,824,837	32,823,989	33,371,806

STATEMENT OF CHANGES IN EQUITY as at 30 June 2011

	General Fund	Asset Revaluation Reserve	Total
	\$	\$	\$
ECONOMIC ENTITY			
Total at the beginning of the financial year	32,360,664	14,541,954	46,902,618
Deficit from ordinary activities	(1,127,014)	-	(1,127,014)
Gain on listed shares held for long term investment	-	49,233	49,233
Balance as at 30 June 2010	31,233,650	14,591,187	45,824,837
Deficit from ordinary activities	(564,241)	-	(564,241)
Gain on listed shares held for long term investment	-	16,424	16,424
Balance as at 30 June 2011	30,669,409	14,607,611	45,277,020
PARENT ENTITY			
Total at the beginning of the financial year	32,360,662	2,088,925	34,449,587
Deficit from ordinary activities	(1,127,014)	-	(1,127,014)
Gain on listed shares held for long term investment	-	49,233	49,233
Balance as at 30 June 2010	31,233,648	2,138,158	33,371,806
Deficit from ordinary activities	(564,241)	-	(564,241)
Gain on listed shares held for long term investment	-	16,424	16,424
Balance as at 30 June 2011	30,669,407	2,154,582	32,823,989

STATEMENT OF CASH FLOWS for the year ended 30 June 2011

	Economic Entity		Parent Entity	
	2011 (\$)	2010 (\$)	2011 (\$)	2010 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Members	17,368,960	17,232,384	17,368,960	17,232,384
Interest Received	691,068	11,263	689,379	3,876
Rent	1,165,440	1,141,273	-	-
Other	543,037	789,491	543,037	789,491
Payments to Suppliers and Employees	(20,044,218)	(20,603,966)	(19,065,362)	(19,547,405)
CASH FLOW USED IN OPERATING ACTIVITIES	(275,713)	(1,429,555)	(463,986)	(1,521,654)
CASH FLOWS FROM INVESTING ACTIVITIES				
Amelioration Fund loans advanced/repaid	127,725	49,090	127,725	49,090
Net OLI bonus payments distributed	288	(4,262)	288	(4,262)
Purchase of property, plant and equipment	(344,870)	(367,268)	(344,870)	(294,953)
Proceeds from the sale of fixed assets	399,223	4,285,301	150,570	1,085,301
Purchase of Listed Shares	-	(347)	-	(347)
GST recovered from sale of property	160,718	-	160,718	-
CASH FLOW PROVIDED BY INVESTING ACTIVITIES	343,084	3,962,514	94,431	834,829
CASH FLOWS FROM FINANCING ACTIVITIES				
Funding from Property Trust	-	-	531,449	3,228,805
CASH FLOW PROVIDED BY FINANCING ACTIVITIES	-	-	531,449	3,228,805
NET CASH INCREASE	67,371	2,532,959	161,894	2,541,980
CASH AT THE BEGINNING OF THE YEAR	13,950,438	11,417,479	13,760,221	11,218,241
CASH AT THE END OF THE FINANCIAL YEAR	14,017,809	13,950,438	13,922,115	13,760,221

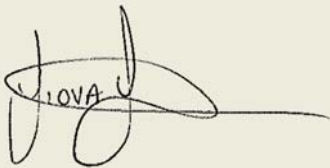
STATEMENT OF THE NATIONAL EXECUTIVE

On November 9, 2011 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, 2011:

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.
 - (vi) there has been no recovery of wages for the financial year.

Signed on behalf of the National Executive



F JORDON
NATIONAL PRESIDENT



L.J. CARTER
NATIONAL SECRETARY

Signed at Melbourne, this 9th day of November, 2011

Independent Auditor's Report to the Members of the Finance Sector Union of Australia

Report on the concise financial report

We have audited the accompanying concise financial report of the Finance Sector Union of Australia, which comprises the statement of financial position as at 30 June 2011, 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 2011, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

National Executive's responsibility for the concise financial report

The National Executive is responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039: *Concise Financial Reports*, statutory and other requirements. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report, selecting and applying appropriate 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 procedures which were conducted in accordance with Auditing Standards ASA 810: *Engagements to Report on Summary Financial Statements*. 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 2011. We expressed an unmodified audit opinion on that financial report in our report dated 9 November 2011. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures 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 audit 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 on whether, in all material respects, the concise financial report complies with 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 2011 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.



CROWE HORWATH MELBOURNE



Peter Sexton

Partner

Level 17, 181 William Street, Melbourne, Victoria

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

Dated this 9th day of November 2011



Fair Work Australia

20 December 2011

Mr Leon Carter
National Secretary
Finance Sector Union of Australia
341 Queen St
MELBOURNE VIC 3000

By email: fsuinfo@fsunion.org.au

Dear Mr Carter,

**Re: Financial Report – Finance Sector Union of Australia - FR2011/2728
Fair Work (Registered Organisations) Act 2009 (RO Act)**

We acknowledge receipt of the Full Financial Report and Concise Financial Report for the Finance Sector Union of Australia for year ended 30 June 2011. The documents were lodged on 19 December 2011.

The documents have been filed.

The following information is provided to assist you in future financial years.

Operating Report

The Operating Report was included in the Concise Report but not the Full Financial Report.

Please note that the Operating Report is an essential element of the Full Financial Report and must always be included in the Full Financial Report [ss.254 and 265(1)(a)(iii)].

References to legislation

Some of the lodged documents (such as the preface to the Operating Report) referred to superseded legislation (such as Schedule 1 of the *Workplace Relations Act 1996*). All such references should now be to the *Fair Work (Registered Organisations) Act 2009*.

Section 272 Notice.

Note 23 to the Full Financial Report included a notice as required under s.272. The wording in the notice was based on superseded legislation. In future please ensure that the wording is amended to reflect the wording of s.272 of the *Fair Work (Registered Organisations) Act 2009*.

If you have any queries regarding the above please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,

Andrew Schultz
Organisations, Research and Advice