



17 January 2018

Ms Julia Angrisano
National Secretary
Finance Sector Union

Sent via email:

Dear Ms Angrisano

Re: – Finance Sector Union - financial report for year ending 30 June 2017 (FR2017/160)

I refer to the financial report of the Finance Sector Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 19 December 2017. A further copy correcting a typographical error was lodged on 20 December 2017.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission

19 December 2017

General Manager
Registered Organisations Commission
GPO Box 2983
MELBOURNE, VIC 3001

regorgs@roc.gov.au

Dear Sir/Madam,


RE: FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2017

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, I hereby lodge the following financial documents relating to the financial year ended 30 June 2017:

- Designated Officer's Certificate
- Full Financial Report, including:
 - Committee of Management Statement
 - Auditor's Report
 - Operating Report

I confirm that these reports have been posted onto the FSU website.

Yours faithfully,



Julia Angrisano
National Secretary

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

DESIGNATED OFFICER'S CERTIFICATE

I, Julia Angrisano, 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 General Purpose Financial Report, Committee of Management Statement, Auditor's Report and Operating Report, of the reporting unit, for the financial year ended 30 June 2017, as referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Financial Report for the financial year ended 30 June 2017, were presented to a meeting of the Committee of Management of the reporting unit, on 20 November 2017, in accordance with s266 of the Fair Work (Registered Organisations) Act 2009;
- that on 20 November 2017, 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 20 November 2017, the Committee of Management of the reporting unit resolved that the Operating Report for the financial year ended 30 June 2017 be adopted in accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 for inclusion in the Full Financial Report;
- that the Full Financial Report, including the General Purpose Financial Report, Committee of Management Statement, Auditor's Report and Operating Report was provided to members on 30 November, 2017;
- that the Full Financial Report for the financial year ended 30 June 2017, were re-presented to a meeting of the Committee of Management of the reporting unit, on 13 December 2017, in accordance with s266 of the Fair Work (Registered Organisations) Act 2009;
- that on 18 December 2017, the Committee of Management of the reporting unit resolved to adopt the 2016/2017 annual accounts and operating report and that the National Secretary be authorised to provide the appropriate certification to the Registered Organisations Commission.



JULIA ANGRISANO
NATIONAL SECRETARY

Signed at Sydney this 19th day of December, 2017

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

FULL FINANCIAL REPORT

30 JUNE 2017

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


STATEMENT OF THE NATIONAL EXECUTIVE

On 20 November 2017 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 union for the financial year ended June 30, 2017:

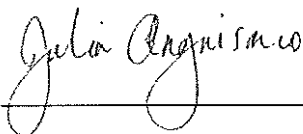
The National Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the union 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 union 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 union 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 union or the 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 Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - (vi) no revenue has been derived from undertaking recovery of wages activity during the period.

Signed on behalf of the National Executive



**L. ARNFIELD
NATIONAL PRESIDENT**



**J. ANGRISANO
NATIONAL SECRETARY**

Signed at Sydney this 20th day of November, 2017

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Income	2	18,407,123	17,075,544
Expenses	2		
Employee benefits		(12,567,392)	(12,449,684)
Officer benefits		(1,157,455)	(1,467,202)
Building & equipment expenses		(1,672,706)	(1,660,605)
Industrial & campaign expenses		(239,055)	(287,665)
Depreciation and amortisation		(633,928)	(685,748)
Affiliations & levies		(628,067)	(630,252)
Office expenses		(1,491,404)	(1,417,417)
Other expenses		(599,380)	(964,057)
		<u>(18,989,387)</u>	<u>(19,562,630)</u>
NET DEFICIT		<u>(582,264)</u>	<u>(2,487,086)</u>
Other Income			
Net gain on disposal of non-current physical asset		14,330	12,799
		<u>(567,934)</u>	<u>(2,474,287)</u>
NET DEFICIT FOR THE YEAR		<u>(567,934)</u>	<u>(2,474,287)</u>
Other Comprehensive Income			
Gain/(Loss) on listed shares held for long term investment		60,055	(93,945)
Loss on revaluation of land and building	5	(31,148)	(238,234)
		<u>(539,027)</u>	<u>(2,806,466)</u>
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		<u>(539,027)</u>	<u>(2,806,466)</u>

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
TOTAL ACCUMULATED FUNDS		<u>48,128,705</u>	<u>48,667,732</u>
represented by:			
CURRENT ASSETS			
Cash and cash equivalents	13 (a)	650,089	691,717
Financial assets at fair value through profit or loss	4	6,247,478	6,349,397
Trade and other receivables	3	453,056	449,486
Other current assets		<u>472,064</u>	<u>428,570</u>
TOTAL CURRENT ASSETS		<u>7,822,687</u>	<u>7,919,170</u>
NON CURRENT ASSETS			
Trade and other receivables	3	50,986	71,539
Financial assets at fair value through profit or loss	4	28,972,303	29,605,866
Available for sale financial assets	4	576,408	516,353
Property, plant and equipment	5	<u>15,458,808</u>	<u>16,043,451</u>
TOTAL NON CURRENT ASSETS		<u>45,058,505</u>	<u>46,237,209</u>
TOTAL ASSETS		<u>52,881,192</u>	<u>54,156,379</u>
CURRENT LIABILITIES			
Trade and other payables	6	1,319,778	1,923,307
Provision - employee entitlements	10	<u>2,511,404</u>	<u>2,673,952</u>
TOTAL CURRENT LIABILITIES		<u>3,831,182</u>	<u>4,597,259</u>
NON CURRENT LIABILITIES			
Provision - employee entitlements	10	<u>921,305</u>	<u>891,388</u>
TOTAL NON CURRENT LIABILITIES		<u>921,305</u>	<u>891,388</u>
TOTAL LIABILITIES		<u>4,752,487</u>	<u>5,488,647</u>
NET ASSETS		<u>48,128,705</u>	<u>48,667,732</u>

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2017

	General fund	Asset revaluation reserve	Fair value reserve	Total accumulated funds
	\$	\$	\$	\$
Balance as at 1 July 2015	37,179,827	14,102,006	192,365	51,474,198
Deficit for the year	(2,474,287)	-	-	(2,474,287)
Loss on listed shares held for long term investment	-	-	(93,945)	(93,945)
Loss on revaluation of land and building	-	(238,234)	-	(238,234)
Balance as at 30 June 2016	<u>34,705,540</u>	<u>13,863,772</u>	<u>98,420</u>	<u>48,667,732</u>
Transfer to General Fund	2,430,105	(2,430,105)	-	-
Deficit for the year	(567,934)	-	-	(567,934)
Gain on listed shares held for long term investment	-	-	60,055	60,055
Loss on revaluation of land and building	-	(31,148)	-	(31,148)
Balance as at 30 June 2017	<u>36,567,711</u>	<u>11,402,519</u>	<u>158,475</u>	<u>48,128,705</u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	14,982,907	15,625,889
Interest received	149,514	249,452
Rent received	493,034	470,367
Other receipts	305,915	412,884
Payments to suppliers and employees	(19,062,660)	(18,673,889)
CASH FLOW USED IN OPERATING ACTIVITIES	13 (b)	(3,131,290)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net amelioration fund loans repaid	53,846	57,827
Purchase of property, plant and equipment	(188,237)	(192,011)
Proceeds from the sale of fixed assets	122,134	81,364
Redemption of Term Deposits	101,919	-
Investment in Term Deposits	-	(1,404,657)
Redemption of Managed Fund	3,000,000	2,000,000
CASH FLOW PROVIDED BY INVESTING ACTIVITIES	3,089,662	542,523
NET CASH USED	(41,628)	(1,372,774)
CASH AT THE BEGINNING OF THE YEAR	691,717	2,064,491
CASH AT THE END OF THE FINANCIAL YEAR	13 (a)	691,717

The accompanying notes form part of these financial statements

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

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amount recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
<i>(Insert fund or account name. If invested in assets include value of each asset)</i>	-	-

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

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 Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period. These financial statements also comply with International Financial Reporting standards as issued by the International Accounting Standards Board. For the purposes of preparing the general purpose financial statements, the union is a not-for-profit entity.

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 financial statements are presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the union 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.

Rental revenue from property operating leases is recognised on a straight-line basis over the term of the lease.

(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 9 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.

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables and payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(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 re-valued on 30 June 2015, based on the assessment of their market value as at that date. The revaluations were made in accordance with a policy of revaluing land and buildings every three years.

Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation increment of the same class of assets that was previously recognised in the profit or loss. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class of assets. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

(e) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(f) 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.

(g) Plant & Equipment

Plant and equipment is brought to account at cost 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% - 3.3%	Computers	33%
Motor vehicles	15%	Furniture	10% - 20%
Plant & equipment	13%	Building Fittings	20%

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Financial instruments

Financial assets and financial liabilities are recognised when the union becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(j) Financial assets

Financial assets at fair value through profit or loss:

This category comprises of investments in:

- i. Term deposits held by banking institutions with more than 90 days until maturity, as at reporting date. Term deposits with more than one year until maturity, as at reporting date, are included in non current assets.
- ii. Managed funds that are held by fund managers on behalf of the Union for trading to make a profit. They are recorded in the Statement of Financial Position at market value and any gains or losses are recorded through the Statement of Comprehensive Income. Managed funds are included in non current assets as it is the intention of management to maintain this portfolio of investments for the longer term.
- iii. 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 Statement of Comprehensive Income.

Available for sale financial assets:

This category comprises of 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 and recorded through the Statement of Comprehensive Income.

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
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

(k) *Financial Liabilities*

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

Other financial liabilities, comprising trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(l) *Employee entitlements*

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provision is made for the liability for employee entitlements arising from services rendered by employees to reporting date. Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. 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 using the corporate bonds rate. Contributions made by the economic entity to employee superannuation funds are charged as expenses when incurred.

(m) *Cash*

For the purposes of the statement of cash flows, cash includes cash on hand, at call deposits with financial institutions net of bank overdrafts and term deposits held by banking institutions, with 90 days or less until maturity as at reporting date.

(n) *Comparative figures*

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

(o) *Fair Value Measurement*

The consolidated entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability, or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability*

The principal or the most advantageous market must be accessible by the consolidated entity. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The consolidated entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities*
- *Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable*
- *Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable*

For assets and liabilities that are recognised in the financial statements on a recurring basis, the consolidated entity determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the consolidated entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(p) Critical Accounting Estimates and Judgements

Estimates and judgements made by the Committee of Management for incorporation into the financial statements are 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 2017.

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Key Judgements

i. *Provision for impairment of receivables*

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

ii. *Provision for employee entitlements*

The provision for LSL is measured as the present value of the estimated future cash flows to be made by the union in respect of services provided by employees up to the reporting date.

(q) *Current and non-current classification*

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

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

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

(r) *New Australian Accounting Standards*

Adoption of New Australian Accounting Standard Requirements

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Union include:

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
AASB 9	Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The key changes made to accounting requirements that may impact the company are: - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; and - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.	1 January 2018	These standards are not expected to significantly impact the Union's financial statements	1 July 2018

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
AASB 16	Leases	AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.	1 January 2019	The directors have not determined the impact of AASB 15 on the Union's financial statements.	1 July 2019
AASB 15	Revenue from contracts with customers	AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including AASB 118 Revenue and other revenue standards. AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will have little, if any, effect on the amount and timing of revenue recognised for most straightforward contracts. However there is likely to be changes to the amount or timing of revenue recognition where contracts extend over time, have variable considerations or have multiple elements.	1 January 2018	The directors have not determined the impact of AASB 15 on the Union's financial statements.	1 July 2018

NOTE 2: NET DEFICIT

	2017	2016
	\$	\$
Net deficit has been determined after:		
<i>(a) Crediting as income</i>		
Membership subscriptions	15,068,461	15,545,480
Interest	191,716	244,971
Dividend income	32,836	33,515
Increase in market value of managed funds	2,366,437	468,048
Rental revenue - properties	504,993	494,674
Net loss on sale of financial assets	-	-
Other income	242,680	288,856
Capitation fees received	-	-
Levies received	-	-
Grants / donations received	-	-
Other financial support	-	-
Income	<u>18,407,123</u>	<u>17,075,544</u>
Net gain on disposal of non-current physical asset	<u>14,330</u>	<u>12,799</u>
Other Income	<u>14,330</u>	<u>12,799</u>
Total Income	<u>18,421,453</u>	<u>17,088,343</u>

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: NET DEFICIT (CONTINUED)

	2017	2016
	\$	\$
<i>(b) Charging as an expense</i>		
Employee benefits:		
Employee salaries	8,864,660	8,955,885
Employee superannuation contributions	1,670,221	1,630,041
Employee redundancy & termination payments	125,352	68,862
Employee leave entitlements	486,047	419,864
Employee other expenses	1,421,112	1,375,032
Total employee benefits	12,567,392	12,449,684
Officer benefits:		
Officer salaries	784,541	848,879
Officer allowances	52,500	52,500
Officer superannuation contributions	114,064	140,910
Officer redundancy & termination payments	-	231,339
Officer leave entitlements	37,040	41,514
Officer other expenses	169,310	152,060
Total officer benefits	1,157,455	1,467,202
Building and equipment expenses:		
Office rent	962,359	920,700
Cleaning	107,252	121,232
Utilities	107,132	84,952
Building maintenance	43,370	52,186
Rates & taxes	130,963	121,209
Strata levies	311,107	350,088
Other office and building expenses	10,523	10,238
Total building & equipment expenses	1,672,706	1,660,605
Industrial & campaign expenses:		
Travel and accommodation	95,649	91,817
Campaigns and projects		
- Donations in excess of \$1,000	-	-
- Donations \$1,000 or less	-	-
- Other campaign and project expenses	52,916	69,478
Member publications	45,620	51,356
Education and training (members)	14,480	9,681
Legal fees:		
- Litigation	9,283	46,926
- Other legal matters	2,955	237
Other expenses	18,152	18,170
Total industrial & campaign expenses	239,055	287,665

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: NET DEFICIT (CONTINUED)

	2017	2016
	\$	\$
Depreciation expenses:		
Land & Building	346,477	361,641
Furniture, Fittings & Equipment	137,352	166,701
Motor Vehicles	150,099	157,406
Total depreciation expenses	633,928	685,748
 Affiliations & levies:		
 Affiliations:		
- UNI Global Union	101,226	104,535
- Australian Council of Trade Unions	186,292	162,269
- Unions NSW	46,778	48,359
- Unions ACT	1,047	1,270
- Victorian Trades Hall Council	62,377	41,553
- Unions Tasmania	3,263	3,538
- Queensland Council of Unions	28,818	29,690
- Northern Territory Trades & Labour Council	1,450	1,861
- Unions WA	26,076	25,720
- ALP: NSW Branch	59,907	59,486
- ALP: VIC Branch	46,448	45,300
- ALP: QLD Branch	19,899	23,517
- ALP: SA Branch	7,096	7,078
- ALP: WA Branch	26,933	26,250
- Other Affiliations	3,665	2,409
 Levies:		
- Australian Council of Trade Unions		
Industrial relations levy	-	33,102
-Unions NSW		
May Day levy	1,000	-
-Unions ACT		
Campaign levy	542	-
-Victorian Trades Hall Council		
Campaign levy	-	4,268
Women's levy	-	2,399
YUN levy	-	2,398
-WA Labour		
Campaign Contribution Levy	5,250	5,250
Total affiliations & levies	628,067	630,252

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: NET DEFICIT (CONTINUED)

	2017	2016
	\$	\$
Office expenses:		
Operating lease rentals	-	62,809
Telecommunications	297,703	260,246
Information technology	642,663	645,996
Insurance	135,230	142,709
Education & training (staff)	67,558	46,489
Other office expenses	348,250	259,168
Total office expenses	<u>1,491,404</u>	<u>1,417,417</u>
Other expenses:		
Meeting and conference expenses	70,347	96,349
Auditors remuneration		
- Auditing the financial statements	69,000	58,900
- Other services	-	-
Accounting Services	-	-
Legal fees		
- Litigation	16,902	264,870
- Other legal matters	18,088	62,212
Other professional services	-	4,000
Bank charges – revenue collection	82,156	88,780
Bank charges – other	15,245	15,227
Donations in excess of \$1,000	906	-
Donations \$1,000 or less	-	-
Purchase of movie tickets for resale	114,932	147,255
Amelioration fund:		
- Mortuary benefits	153,063	163,503
- Grants in excess of \$1,000	806	-
- Grants \$1,000 or less	-	-
- Remission of debts	2,470	(674)
Other expenses	55,465	63,635
Consideration to employers for payroll deductions	-	-
Capitation fees	-	-
Penalties – via RO Act or RO Regulations	-	-
Other fees or allowances re conferences / meetings	-	-
Total other expenses	<u>599,380</u>	<u>964,057</u>
Total Expenses	<u><u>18,989,387</u></u>	<u><u>19,562,630</u></u>

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: RECEIVABLES

	2017	2016
	\$	\$
<i>Current</i>		
Subscriptions income accrued	118,062	115,111
Sundry debtors	203,547	169,635
Less provision for doubtful debts	-	-
	321,609	284,746
Amelioration fund loans to members	146,447	179,740
Less provision for doubtful debts	(15,000)	(15,000)
	131,447	164,740
	453,056	449,486
<i>Non-Current</i>		
Amelioration fund loans to members	50,986	71,539
	50,986	71,539

NOTE 4: FINANCIAL ASSETS

<i>Current</i>		
Financial assets at fair value through profit or loss		
Term deposits	6,247,478	6,349,397
	6,247,478	6,349,397
<i>Non-Current</i>		
Financial assets at fair value through profit or loss		
Managed investments	28,972,274	29,605,837
Units in unlisted trusts	35,935	35,935
Less provision for diminution	(35,906)	(35,906)
	29	29
	28,972,303	29,605,866
Financial assets available for sale		
Shares in listed companies at market value	576,408	516,353

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 5: PROPERTY, PLANT & EQUIPMENT

	2017	2016
	\$	\$
Freehold land & buildings		
Fair value	14,860,000	14,995,000
Accumulated depreciation	<u>(262,500)</u>	<u>(19,875)</u>
Total freehold land and buildings	<u>14,597,500</u>	<u>14,975,125</u>

Reconciliation of the Opening and Closing Balances of Freehold Land and Buildings

Gross book value 1 July 2016	14,995,000	15,575,000
Accumulated depreciation	<u>(19,875)</u>	<u>-</u>
Net book value 1 July 2016	<u>14,975,125</u>	<u>15,575,000</u>
Revaluations	(31,148)	(238,234)
Depreciation expense	<u>(346,477)</u>	<u>(361,641)</u>
Net book value 30 June 2017	<u>14,597,500</u>	<u>14,975,125</u>

Net book value as of 30 June 2017 represented by:

Gross book value	14,860,000	14,995,000
Accumulated depreciation	<u>(262,500)</u>	<u>(19,875)</u>
Net book value 30 June 2017	<u>14,597,500</u>	<u>14,975,125</u>

Furniture, fittings & equipment

At cost	5,029,549	5,030,276
Accumulated depreciation	<u>(4,783,848)</u>	<u>(4,647,224)</u>
Total furniture, fittings & equipment	<u>245,701</u>	<u>383,052</u>

Reconciliation of the Opening and Closing Balances of Furniture, fittings and equipment

Gross book value 1 July 2016	5,030,276	4,986,493
Accumulated depreciation	<u>(4,647,224)</u>	<u>(4,480,523)</u>
Net book value 1 July 2016	<u>383,052</u>	<u>505,970</u>
Additions	-	43,783
Depreciation expense	<u>(137,351)</u>	<u>(166,701)</u>
Net book value 30 June 2017	<u>245,701</u>	<u>383,052</u>

Net book value as of 30 June 2017 represented by:

Gross book value	5,029,549	5,030,276
Accumulated depreciation	<u>(4,783,848)</u>	<u>(4,647,224)</u>
Net book value 30 June 2017	<u>245,701</u>	<u>383,052</u>

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	2017	2016
	\$	\$
Motor Vehicles		
At cost	970,451	1,039,805
Accumulated depreciation	<u>(354,844)</u>	<u>(354,531)</u>
Total motor vehicles	<u>615,607</u>	<u>685,274</u>
Reconciliation of the Opening and Closing Balances of Motor Vehicles		
Gross book value 1 July 2016	1,039,805	1,078,483
Accumulated depreciation	<u>(354,531)</u>	<u>(315,466)</u>
Net book value 1 July 2016	<u>685,274</u>	<u>763,017</u>
Additions	188,237	148,228
Depreciation expense	(150,100)	(157,406)
Disposals	<u>(107,804)</u>	<u>(68,565)</u>
Net book value 30 June 2017	<u>615,607</u>	<u>685,274</u>
Net book value as of 30 June 2017 represented by:		
Gross book value	970,451	1,039,805
Accumulated depreciation	<u>(354,844)</u>	<u>(354,531)</u>
Net book value 30 June 2017	<u>615,607</u>	<u>685,274</u>
Property, plant & equipment		
Fair value/at cost	20,860,000	21,065,081
Accumulated depreciation	<u>(5,401,192)</u>	<u>(5,021,630)</u>
Total property, plant and equipment	<u>15,458,808</u>	<u>16,043,451</u>
Reconciliation of the Opening and Closing Balances of Property, Plant & Equipment		
Gross book value 1 July 2016	21,065,081	21,639,976
Accumulated depreciation	<u>(5,021,630)</u>	<u>(4,795,989)</u>
Net book value 1 July 2016	<u>16,043,451</u>	<u>16,843,987</u>
Additions	188,237	192,011
Revaluations	(31,148)	(238,234)
Depreciation expense	(633,928)	(685,748)
Disposals	<u>(107,804)</u>	<u>(68,565)</u>
Net book value 30 June 2017	<u>15,458,808</u>	<u>16,043,451</u>
Net book value as of 30 June 2017 represented by:		
Gross book value	20,860,000	21,065,081
Accumulated depreciation	<u>(5,401,192)</u>	<u>(5,021,630)</u>
Net book value 30 June 2017	<u>15,458,808</u>	<u>16,043,451</u>

The revaluations of freehold land and buildings as at 30 June 2015 were based on the assessment of their market value as at that date. 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 Herron Todd White. The next valuation is due 30 June 2018.

Further, during the year ended 30 June 2017, management has conducted valuation of 3 properties and a revaluation decrement aggregating \$31,148 has been recorded in the financial statements.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 6: TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade creditors and accruals	87,268	148,598
Employee Benefits	318,843	456,124
Payables to employers-as consideration for facilitating payroll deductions	-	-
Legal Costs:		
-Litigation	933	233,073
-Other legal matters	2,420	12,773
Membership fees collected in advance	247,036	329,639
OLI bonuses payable	235,025	235,025
GST payable	331,350	313,332
Other	96,903	194,743
	<u>1,319,778</u>	<u>1,923,307</u>

NOTE 7: KEY MANAGEMENT PERSONNEL

Key Management Personnel, for the reporting period

- F. Jordan (National Secretary, terminated 1/7/16)
- G. Derrick (National Assistant Secretary, Acting National Secretary from 2/7/16 to 31/10/16, terminated 1/5/2017)
- N. Rees (Appointed as Assistant National Secretary 15/5/17)
- D. Martin (Local Executive Secretary –VIC/TAS)
- J. Angrisano (Local Executive Secretary - NSW / ACT on leave from 30/11/15 to 31/10/16, appointed as National Secretary effective 1/11/16)
- R. Reilly (Acting Local Executive Secretary - NSW/ACT from 30/11/15 to 31/10/16 and was appointed effective 1/11/16)
- W. Streets (Local Executive Secretary – QLD)
- J. Hall (Local Executive Secretary – SA / NT)
- D. Marshall (Local Executive Secretary – WA)
- H. Sapin (Manager Finance & Administration)
- F. Wilson (Media & Communications Manager terminated 5/7/16)
- L. Cheong (Acting IT Manager appointed 1/7/16)

Key management personnel remuneration

	2017	2016
	\$	\$
Short term employee benefits		
- Salary	1,055,981	1,422,827
- Other short term benefits	89,042	95,771
- Annual leave accrued as at 30 June 2017	212,256	209,536
Post-employment benefits		
- Superannuation contributions	167,597	185,555
Other long term benefits		
- Long service leave accrued as at 30 June 2017	470,612	501,430
Termination benefits	-	-
Total	<u>1,995,488</u>	<u>2,415,119</u>

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PARENT INFORMATION

STATEMENT OF FINANCIAL POSITION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards.

	<u>2017</u>	<u>2016</u>
	\$	\$
Total accumulated funds	<u>36,726,183</u>	<u>37,234,063</u>
represented by:		
Current assets		
Cash and equivalents	595,122	657,238
Financial assets, through profit or loss	6,247,478	6,349,397
Trade and other receivables	380,405	392,726
Other current assets	<u>358,901</u>	<u>342,409</u>
Total current assets	<u>7,581,906</u>	<u>7,741,770</u>
Non current assets		
Trade and other receivables	20,550,986	20,571,539
Financial assets, through profit or loss	28,972,303	29,605,866
Available for sale financial assets	576,408	516,353
Property, plant & equipment	<u>858,309</u>	<u>1,064,787</u>
Total non current assets	<u>50,958,006</u>	<u>51,758,545</u>
Total assets	<u>58,539,912</u>	<u>59,500,315</u>
Current liabilities		
Trade and other payables	18,381,020	18,700,912
Provision - employee entitlements	<u>2,511,404</u>	<u>2,673,952</u>
Total current liabilities	<u>20,892,424</u>	<u>21,374,864</u>
Non current liabilities		
Provision - employee entitlements	<u>921,305</u>	<u>891,388</u>
Total non current liabilities	<u>921,305</u>	<u>891,388</u>
Total liabilities	<u>21,813,729</u>	<u>22,266,252</u>
Net assets	<u>36,726,183</u>	<u>37,234,063</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 8: PARENT INFORMATION (CONTINUED)

STATEMENT OF COMPREHENSIVE INCOME

The following information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards.

	2017 \$	2016 \$
Net deficit	<u>(1,173,082)</u>	<u>(2,993,472)</u>
Other income		
Net gain on disposal of non-current physical asset	<u>14,330</u>	<u>12,799</u>
Net Deficit for the year	<u>(1,158,752)</u>	<u>(2,980,673)</u>
Other comprehensive income		
Gain/(Loss) on shares held for long term investment	<u>60,055</u>	<u>(93,945)</u>
Total Comprehensive Deficit	<u>(1,098,697)</u>	<u>(3,074,618)</u>

CONTINGENT LIABILITIES

At 30 June 2017, the Finance Sector Union of Australia had a contingent liability for \$256,362 (2016 - \$256,362) relating to a guarantee provided to the National Australia Bank on behalf of its subsidiary, in relation to a property lease contract entered into by its subsidiary. At the end of the reporting period the subsidiary, FSU Property Pty Ltd, is in a satisfactory financial position and is not likely to default on lease rental payment obligations.

NOTE 9: CONTROLLED ENTITIES

Subsidiary of Finance Sector Union of Australia:

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

	2017	2016
Country of incorporation	Australia	Australia
Percentage owned	100%	100%
Investment at cost	\$2	\$2
Contribution to group operating surplus	\$590,818	\$506,386

Rent of \$1,344,982 (2016 - \$1,311,099) 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 \$590,818 (2016 - \$506,386) at the end of the year.

FINANCE SECTOR UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: PROVISION – EMPLOYEE ENTITLEMENTS

	2017	2016
	\$	\$
<i>Current</i>		
Office holders:		
Annual leave	108,687	133,756
Long service leave	221,505	305,283
Separation and redundancies	-	-
Other office holder benefits	-	-
	<u>330,192</u>	<u>439,039</u>
Employees:		
Annual leave	890,612	875,578
Long service leave	1,290,600	1,359,335
Separation and redundancies	-	-
Other office holder benefits	-	-
	<u>2,181,212</u>	<u>2,234,913</u>
	<u>2,511,404</u>	<u>2,673,952</u>
<i>Non-Current</i>		
Office holders:		
Annual leave	-	-
Long service leave	76,938	129,025
Separation and redundancies	-	-
Other office holder benefits	-	-
	<u>76,938</u>	<u>129,025</u>
Employees:		
Annual leave	-	-
Long service leave	844,367	762,363
Separation and redundancies	-	-
Other office holder benefits	-	-
	<u>844,367</u>	<u>762,363</u>
	<u>921,305</u>	<u>891,388</u>

NOTE 11: RELATED PARTY TRANSACTIONS

There were no related party transactions with any members of National Executive during the year, except for honorarium payments to members of the National Executive totalling \$52,500 (2016 - \$52,500).

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 12: OPERATING LEASE COMMITMENT

As at 30 June 2017 the Finance Sector Union of Australia has a commitment to six operating leases, with the following lessors:-

Alex and Kirpal Singh-FSU Office Queen Street, Melbourne-remaining term 0-1- year
Tzortz Pty Ltd-FSU Office Cordelia Street, South Brisbane-remaining term 0-1- year
Automotive, Food, Metals, Engineering, Printing and Kindred Industries Unions -FSU Office Greenhill Road, Dulwich-remaining term 0-1- year

Future lease commitments are as follows:

	2017	2016
	\$	\$
0 - 1 year	514,793	952,152
1 - 5 years	-	514,793

NOTE 13: CASH FLOW

	2017	2016
	\$	\$
CASH FLOW RECONCILIATION		
(a) Reconciliation of cash and cash equivalents		
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	2,385	3,885
Cash at bank	647,704	687,832
	650,089	691,717
(b) Reconciliation of (deficit) /surplus to net cash from operating activities:		
Deficit for the year	(567,934)	(2,474,287))
Adjustments for non-cash items		
Depreciation & amortisation	633,928	685,748
Increase in market value of non-current investments	(2,366,437)	(468,048)
Profit on sale of assets	(14,330)	(12,798)
Increase in listed shares as a result of demerger	-	(3,008)
Changes in assets & liabilities		
(Decrease)/increase in accounts payable	(603,529)	316,889
(Decrease)/increase in provision for employee entitlements	(132,631)	37,931
Increase/(decrease) in subscriptions receivable	(2,951)	59,106
Increase in sundry receivables	(33,912)	(49,527)
Increase in prepayments	(43,494)	(7,303)
Cash Flow used in operating activities	(3,131,290)	(1,915,297)

FINANCE SECTOR UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: CASH FLOW (CONTINUED)

	2017	2016
	\$	\$
CASH FLOW INFORMATION		
Cash inflows		
FSU Property Trust Pty Ltd	953,539	950,259
Total cash inflows	953,539	950,259
Cash outflows		
FSU Property Trust Pty Ltd	933,053	971,305
Total cash outflows	933,053	971,305

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, shares available for sale 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 mostly 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. M.I.C 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 and Unhedged), Property, Low Correlation Strategy, Fixed Interest and Cash products. Henderson Global Investors managed our Cash Management Trusts.

	Weighted Average Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate Maturing	
				Within 1 Year	Within 1 to 5 Years
<u>2017</u>					
<i>Financial assets</i>					
Cash on hand	N/A	-	2,385	-	-
Cash at bank and bank term deposits	2.63%	6,895,183	-	-	-
Managed investments	N/A	-	28,972,274	-	-
Available for sale assets	N/A	-	576,408	-	-
Unlisted shares and units	N/A	-	29	-	-
Receivables – other	N/A	-	321,609	-	-
Receivables – UCF	5.00%	-		131,447	50,986
Total financial assets			6,895,183	29,872,705	131,447 50,986
<i>Financial liabilities</i>					
Accounts payable	N/A	-	1,319,778	-	-
Total financial liabilities			-	1,319,778	-

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)

	Weighted Average Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate Maturing	
				Within 1 Year	Within 1 to 5 Years
2016					
<i>Financial assets</i>					
Cash on hand	N/A	-	3,885	-	-
Cash at bank and bank term deposits	3.29%	7,037,229	-	-	-
Managed investments	N/A	-	29,605,837	-	-
Available for sale assets	N/A	-	516,353	-	-
Unlisted shares and units	N/A	-	29	-	-
Receivables – other	N/A	-	284,746	-	-
Receivables – UCF	5.00%	-	-	164,740	71,539
Total financial assets		7,037,229	30,410,850	164,740	71,539
<i>Financial liabilities</i>					
Accounts payable	N/A	-	1,923,307	-	-
Total financial liabilities		-	1,923,307	-	-

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(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.

Credit quality of trade and other receivables not past due or individually determined as impaired

	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$	Not Past Due Nor Impaired 2016 \$	Past due or impaired 2016 \$
Subscriptions income accrued	118,062	-	115,111	-
Sundry debtors	184,177	19,370	122,495	47,140
Amelioration fund loans to members	182,433	15,000	236,279	15,000
Total	484,672	34,370	473,885	62,140

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)

Ageing of trade and other receivables that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Sundry debtors	18,049	-	-	1,321	19,370
Total	18,049	-	-	1,321	19,370

Ageing of trade and other receivables that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Sundry debtors	26,602	1,954	1,954	16,630	47,140
Total	26,602	1,954	1,954	16,630	47,140

The Management of the Union believe that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour of the debtors.

(b) Liquidity Risk

Subscription revenue from members for the year ended June 30, 2017 of \$15 million (2016 - \$15.5 million) is the major income source of the Union. Consequently the future liquidity of the Union will be impacted by the level of membership.

(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 smaller 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 - Unhedged. These risks are managed by JANA.

(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 15: FAIR VALUE HIERARCHY

Management of the Union assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 15: FAIR VALUE HIERARCHY (CONTINUED)

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The following table contains the carrying amounts and related fair values for the Union's assets:

Consolidated - 2017	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Managed investments	28,972,274	-	-	28,972,274
Available for sale assets	576,408	-	-	576,408
Unlisted shares and units	-	-	29	29
Land and buildings	-	14,597,500	-	14,597,500
Total assets	29,548,682	14,597,500	29	44,146,211
Consolidated - 2016	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Managed investments	29,605,837	-	-	29,605,837
Available for sale assets	516,353	-	-	516,353
Unlisted shares and units	-	-	29	29
Land and buildings	-	14,975,125	-	14,975,125
Total assets	30,122,190	14,975,125	29	45,097,344

There were no transfers between levels during the financial year.

The descriptions of the significant unobservable inputs are as follows:

The valuation technique utilised in the determination of the fair value of land and buildings is the direct comparison approach. The significant unobservable inputs relate to the direct cost/value per square meter with estimated ranges between \$4,000/m² to \$5,000/m². The estimated fair value would increase (decrease) if the estimated price per square meter were higher or lower.

NOTE 16: REMUNERATION OF AUDITORS

	2017	2016
	\$	\$
Value of the services provided		
Financial statement audit services	69,000	58,900
Other services	-	-
Total remuneration of auditors	69,000	58,900

No other services were provided by the auditors of the financial statements.

FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

(a) Investment Valuations

Investments shown in these accounts are shown at their value as at June 30, 2017. Since that the value of the Union's investments has increased/decreased in line with movements on Australian and global financial markets.

There were no other events that occurred after 30 June 2017, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the union.

NOTE 18: 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 the 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 sub-section (1).

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is also drawn to the following reporting disclosures:

- (1) The reporting unit's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.
- (2) The reporting unit has not agreed to provide financial support to ensure any another reporting unit has the ability to continue as a going concern.
- (3) The reporting unit has not acquired assets or liabilities during the financial year as a result of:
 - (a) an amalgamation under Part 2 of Chapter 3, of the Fair Work (Registered Organisations) Act 2009; or
 - (b) a restructure of the branches of the organisation; or
 - (c) a determination by the General Manager under subsection 345(1) of the Fair Work (Registered Organisations) Act 2009 of an alternative reporting structure for the organisation; or
 - (d) a revocation by the General manager under 249(1) of the Fair Work (Registered Organisations) Act 2009 of a certificate issued to an organisation under subsection 245(1)

Independent Auditor's Report to the Members of Finance Sector Union of Australia and Its Controlled Entity

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Finance Sector Union of Australia and its controlled entity, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement of the National Executive of the Finance Sector Union of Australia and controlled entity, for the year ended 30 June 2017.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Finance Sector Union of Australia and its controlled entity (the Reporting Unit) as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The National Executive is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of National Executive for the Financial Report

The National Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the National Executive determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the National Executive is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the National Executive either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Executive.
- Conclude on the appropriateness of the National Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the National Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a fellow of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. In relation to these matters, I have nothing to report.

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

John J Gavens

JOHN GAVENS
Partner

MELBOURNE
20 November 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/164

OPERATING REPORT

For the period ending 30 June 2017

The National Executive presents its report on the reporting unit for the financial year ended 30 June 2017.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year.

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

Principally, the union'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 Work, 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 1/7/16-30/6/17, the Finance Sector Union:

- Received application for and admitted 4539 members;
- Appointed 447 members as FSU workplace representatives;
- Provided training to 238 workplace representatives;

- Negotiated and had approved 30 enterprise agreements covering approximately 67 151 employees.
- Made at least 8 submissions to, and appeared before, Commonwealth of Australia Parliamentary Committees and various Federal and State inquiries and consultations.
- Made approximately 21 applications to Fair Work Commission regarding industrial disputes, award variations and seeking award coverage of award free employees;
- Provided representation to 3691 members at the workplace or enterprise level;
- Was party to more than 80 collective agreements in current operations across the finance sector.

Significant changes in financial affairs

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

Right of members to resign

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

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members

In accordance with Section 230 of the Fair Work (Registered Organisations) Act 2009, the union had a recorded 31 236 members at the end of the reporting period.

Number of employees

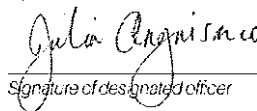
The union employed 151 employees nationally at the end of the reporting period.

Names of Committee of Management members and period positions held during the financial year

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

Julia Angrisano
 Louise Arnfield
 Marcla Bynes (from 31 December 2016)
 Melissa Carmichael (from 31 December 2016)
 Geoff Derrick (till 1 May 2017)
 Julie Engel
 Paul Everson (till 31 December 2016)
 Adam Fay
 Paul Ferrari
 Jason Hall
 Dolly Jensen
 Pauline Olson (from 1 August 2016)
 Rebecca Reilly
 Paul Selke (till 31 December 2016)
 Dianne Marshall
 Darren Martin
 Nathan Rees (from 15 May 2017)
 Susanne Pearce
 Wendy Streets
 Peter Tancred
 Peter Waclawik (till 1 August 2016)

All members held their position for the entire financial year unless indicated otherwise.



Signature of designated officer

Julia Angrisano

Name of designated officer

National Secretary

Title of designated officer

20/11/2017

Date