

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

FULL FINANCIAL REPORT

30 JUNE 2023

CONTENTS

Statement of the Committee of Management	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Index to the notes of the financial statements	6
Notes to and forming part of the accounts	7-39
Report required under subsection 255(2A)	40
Officer Declaration Statement	41
Independent Audit Report	42-44
Operating Report	45

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

On 29 November 2023, the National Executive (the Union's Committee of Management) of the Finance Sector Union of Australia (the Union) passed the following resolution in relation to the general-purpose financial report (GPFR) for the financial year ended 30 June 2023:

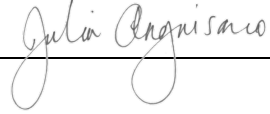
The National Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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);
- (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; and
- (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 organisation 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 organisation including the rules of a branch concerned; and
 - (iii) the financial records of the union have been kept and maintained in accordance with the RO Act; and
 - (iv) no requests for information have been received from a member of the union or the Commissioner under section 272 of the RO Act during the period; and
 - (v) no orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act during the period.

This declaration is made in accordance with a resolution of the committee of management.



W. STREETS
NATIONAL PRESIDENT



J. ANGRISANO
NATIONAL SECRETARY

Signed at Sydney this 29th day of November, 2023

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

		Consolidated	
		2023	2022
	Note	\$	\$
Income	2		
Revenue from contracts with customers			
Membership subscriptions		12,712,556	13,324,310
Total revenue from contracts with customers		12,712,556	13,324,310
Other Income			
Net gain from sale of assets		23,990	16,589
Investment income		218,491	45,996
Increase/(decrease) in market value of managed funds		1,689,353	(1,506,054)
Fair value gain on investment property revaluation		-	2,876,000
Rental income		285,161	475,335
Other income		257,322	209,579
Total other income		2,474,317	2,117,445
Total Income		15,186,873	15,441,755
Expenses	3		
Employee benefits		(8,313,500)	(7,181,751)
Officer benefits		(1,002,988)	(1,156,835)
Building & equipment expenses		(660,242)	(554,581)
Industrial & campaign expenses		(435,819)	(349,106)
Depreciation and amortisation		(1,466,263)	(1,684,935)
Affiliations & levies		(587,061)	(591,922)
Office expenses		(1,124,636)	(1,100,880)
Legal costs		(121,425)	(302,706)
Finance costs		(14,640)	(66,381)
Audit fees		(67,000)	(65,150)
Other expenses		(346,023)	(213,978)
Total Expenses		(14,139,597)	(13,268,225)
SURPLUS / (DEFICIT) FOR THE YEAR		1,047,276	2,173,530
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on equity instruments designated at fair value through other comprehensive income		38,001	(71,947)
Gain/(loss) on revaluation of land and building	6	(137,198)	4,210,452
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		948,079	6,312,035

The above statement should be read in conjunction with the notes

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	Consolidated	
		2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	16 (a)	3,006,971	2,218,651
Financial assets at amortised cost	5	5,000,250	5,333,198
Trade and other receivables	4	301,333	308,430
Other current assets		328,705	598,823
Non-current assets classified as held for sale	7	1,575,000	-
TOTAL CURRENT ASSETS		10,212,259	8,459,102
NON-CURRENT ASSETS			
Trade and other receivables	4	4,870	18,383
Financial assets at fair value through profit or loss	5	22,243,123	20,553,770
Financial assets at fair value through other comprehensive income	5	535,004	497,003
Right-of-use assets	15	747,265	776,378
Property, plant and equipment	6	25,116,272	27,556,336
Investment property	8	11,000,000	11,000,000
TOTAL NON-CURRENT ASSETS		59,646,534	60,401,870
TOTAL ASSETS		69,858,793	68,860,972
CURRENT LIABILITIES			
Trade and other payables	9	1,207,446	1,381,218
Lease liabilities	15	48,878	684,067
Employee provisions	13	1,678,113	1,430,233
TOTAL CURRENT LIABILITIES		2,934,437	3,495,518
NON-CURRENT LIABILITIES			
Lease liabilities	15	737,735	183,236
Employee provisions	13	668,698	612,374
TOTAL NON-CURRENT LIABILITIES		1,406,433	795,610
TOTAL LIABILITIES		4,340,870	4,291,128
NET ASSETS		65,517,923	64,569,844
General funds		30,447,023	29,399,747
Reserves		35,070,900	35,170,097
TOTAL EQUITY		65,517,923	64,569,844

The above statement should be read in conjunction with the notes

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

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2023**

	Consolidated			
	General fund	Asset revaluation reserve	Financial assets at FVTOCI	Total accumulated funds
	\$	\$	\$	\$
Balance as at 1 July 2021	27,226,217	30,880,398	151,194	58,257,809
Surplus for the year	2,173,530	-	-	2,173,530
Gain/(loss) on equity instruments designated at FVTOCI	-	-	(71,947)	(71,947)
Gain on revaluation of land and building	-	4,210,452	-	4,210,452
Balance as at 30 June 2022	<u>29,399,747</u>	<u>35,090,850</u>	<u>79,247</u>	<u>64,569,844</u>
Surplus for the year	1,047,276	-	-	1,047,276
Gain/(loss) on equity instruments designated at FVTOCI	-	-	38,001	38,001
Gain / (loss) on revaluation of land and building	-	(137,198)	-	(137,198)
Balance as at 30 June 2023	<u>30,447,023</u>	<u>34,953,652</u>	<u>117,248</u>	<u>65,517,923</u>

The above statement should be read in conjunction with the notes

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Consolidated	
	2023	2022
Note	\$	\$
OPERATING ACTIVITIES		
Receipts from members	12,697,206	13,494,946
Interest received	88,707	27,928
Rent received	362,815	422,002
Other receipts	258,909	230,274
Interest payments and other finance costs	(21,328)	(28,430)
Payments to employees	(8,924,429)	(8,346,605)
Payments to suppliers	(3,284,100)	(3,270,918)
NET CASH FROM / (USED BY) OPERATING ACTIVITIES	16 (b) 1,177,780	2,529,197
INVESTING ACTIVITIES		
Net amelioration fund loans repaid	38,428	27,294
Net Officers Life Insurance bonus payments received	1,260	-
Purchase of property, plant and equipment	(128,683)	(6,646)
Proceeds from the sale of fixed assets	62,000	53,873
Transfer from unclaimed money	3,867	(3,867)
Payment towards term deposits	(27,880)	(26,970)
Redemption of term deposits	360,850	-
Redemption of managed funds	-	22,248,487
Investment in managed funds	-	(22,500,000)
NET CASH FROM / (USED BY) INVESTING ACTIVITIES	309,842	(207,829)
FINANCING ACTIVITIES		
Repayment of lease liabilities	(699,302)	(901,301)
NET CASH FROM / (USED BY) FINANCING ACTIVITIES	(699,302)	(901,301)
NET INCREASE IN CASH HELD	788,320	1,420,067
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,218,651	798,584
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	16 (a) 3,006,971	2,218,651

The above statement should be read in conjunction with the notes.

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

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

Note 1	Statement of accounting policies
Note 2	Revenue and income
Note 3	Expenses
Note 4	Receivables
Note 5	Financial assets
Note 6	Property, plant & equipment
Note 7	Non-current assets classified as held for sale
Note 8	Investment property
Note 9	Trade and other payables
Note 10	Key management personnel
Note 11	Parent information
Note 12	Controlled entities
Note 13	Employee provisions
Note 14	Related party transactions
Note 15	Leases
Note 16	Cash flow
Note 17	Financial instruments
Note 18	Fair value hierarchy
Note 19	Remuneration of auditors
Note 20	Events subsequent to reporting date
Note 21	Section 272 Fair Work (Registered Organisations) Act 2009

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

This financial report is a general-purpose report that has been prepared in accordance with the *Fair Work (Registered Organisations) Act 2009* (RO Act), applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period. 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 accrual basis, except for cash flow information and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. 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

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions and grants.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

The Union has only one distinct membership service promised in their arrangement. The Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

Interest Income

Interest revenue is recognised on an accrual basis using the effective interest method.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Rental Income

Leases in which the Union as a lessor does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Contingent rents are recognised as revenue in the period in which they are earned.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

(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 11 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) Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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 or 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.

(d) Property

Purchase of property is recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Following initial recognition, 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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Property (continued)

Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date. Revaluation adjustments are made on a class basis. Freehold land and buildings are revalued every three years. Freehold land and buildings were revalued as at 30 June 2022.

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) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(f) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

(g) 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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(h) 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	30 to 40 years	Computers	3 to 4 years
Motor vehicles	6 to 7 years	Furniture	5 to 10 years
Plant & equipment	7 to 8 years	Building Fittings	5 to 6 years

(i) Leases

The Union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Union as a lessee

The Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2023	2022
Land & buildings	3 to 10 years	3 to 10 years
Plant and equipment	1 to 3 years	1 to 3 years

If ownership of the leased asset transfers to the Union at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Lease liabilities

At the commencement date of the lease, the Union recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Union and payments of penalties for terminating the lease, if the lease term reflects the Union exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Union uses the implicit the interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(j) *Financial instruments*

Financial assets and financial liabilities are recognised when the union becomes a party to the contractual provisions of the instrument.

(k) *Financial assets*

Contract assets and receivables

A contract asset is recognised when the Union's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Union's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Union business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Union's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Union commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Investments in equity instruments designated at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

The Union measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Union's financial assets at amortised cost includes trade receivables, term deposits and loans made to members.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Union can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *AASB 132 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Union benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Union elected to classify irrevocably its listed equity investments under this category.

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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Financial assets under this category 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.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Union has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Union has transferred substantially all the risks and rewards of the asset, or
 - b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Union has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Impairment of financial assets

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Union has established a provision matrix that is based on its

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(l) Financial Liabilities

Financial liabilities include trade and other payables. Financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. After initial recognition, trade and other payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(m) Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Union transfers the related goods or services. Contract liabilities include deferred income.

Contract liabilities are recognised as revenue when the Union performs under the contract (i.e., transfers control of the related goods or services to the customer).

(n) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(o) Employee entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

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. Payments to employee superannuation funds are recognised as an expense when employees have rendered service entitling them to the contributions.

(p) Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(q) Comparative figures

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

(r) Fair Value Measurement

The Union measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 17.

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 Union. 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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

The Union 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 Union determines whether transfers have occurred between level 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 Union 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.

(s) 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.

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates and Judgements

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 2023.

ii. Allowance for expected credit losses

The collectability of UCF loans was assessed at year end and a provision has been made for allowances for expected credit losses.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

iii. 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.

iv. Fair value of Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

v. Fair value of Investment Property

Following initial recognition at cost, investment properties carried at fair value. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

(t) 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.

(u) Going concern

The Union is not reliant on the agreed financial support of another entity to continue on a going concern basis. The Union has not agreed to provide financial support to another entity to ensure they can continue on a going concern basis

(v) New Australian Accounting Standards

Adoption of New Australian Accounting Standard and amendments

The accounting policies adopted are consistent with those of the previous financial year. There were no new Accounting Standards adopted for the first time this financial year. No accounting standard has been adopted earlier than the application date stated in the standard.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting periods 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 the Union
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.	1 January 2023	This standard is not expected to significantly impact the Union's financial statements.	1 July 2023

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: REVENUE AND INCOME

	Consolidated	
	2023	2022
	\$	\$
Membership subscriptions	12,712,556	13,324,310
Interest income	190,218	20,749
Dividend income	28,273	25,247
Increase/(decrease) in market value of managed funds	1,689,353	(1,506,054)
Fair Value Gain on Investment Property Revaluation	-	2,876,000
Rental revenue - properties	285,161	475,335
Net gain on disposal of non-current physical asset	23,990	16,589
Other income	257,322	209,579
Total income	15,186,873	15,441,755

Disaggregation of revenue from contracts with customers

A disaggregation of the Union's revenue by type of arrangements is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

Type of customer		
Members	12,712,556	13,324,310
Other parties	285,161	475,335
Total revenue from contracts with customers	12,997,717	13,799,645

Timing of revenue recognition

Services transferred over time	12,997,717	13,799,645
	12,997,717	13,799,645

Disaggregation of income for furthering activities

A disaggregation of the Union's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

Income funding services		
Other parties	2,189,156	1,642,110
Total income for furthering activities	2,189,156	1,642,110

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 3: EXPENSES

	Consolidated	
	2023	2022
	\$	\$
Holdings of office:		
Officer salaries	598,981	716,727
Officer allowances	53,487	45,658
Officer superannuation contributions	107,301	130,730
Officer redundancy and termination payments	32,018	151,231
Officer leave entitlements	88,961	880
Officer other expenses	122,240	111,609
Total officer benefits	<u>1,002,988</u>	<u>1,156,835</u>
Employees other than office holders:		
Employee salaries	6,160,277	5,368,353
Employee superannuation contributions	1,013,944	908,068
Employee redundancy and termination payments	3,574	88,061
Employee leave entitlements	456,760	203,251
Employee other expenses	678,945	614,018
Total employee benefits	<u>8,313,500</u>	<u>7,181,751</u>
Building and equipment expenses:		
Rent	88,051	-
Cleaning	40,963	23,726
Utilities	26,897	25,459
Building maintenance	15,520	16,272
Rates and taxes	155,585	150,661
Strata levies	300,085	307,644
Other office and building expenses	33,141	30,819
Total building and equipment expenses	<u>660,242</u>	<u>554,581</u>
Industrial and campaign expenses:		
Travel and accommodation	94,139	10,550
Campaigns and projects	167,100	83,540
Member publications	-	14,065
Education and training	25,564	10,842
Legal fees: litigation	73,016	72,794
Legal fees: other legal matters	72,526	155,237
Other expenses	3,474	2,078
Total industrial and campaign expenses	<u>435,819</u>	<u>349,106</u>
Depreciation expenses:		
Land and Building	663,629	606,816
Furniture, Fittings and Equipment	95,350	145,463
Motor Vehicles	59,558	69,583
Right-of-Use Asset	647,726	863,073
Total depreciation expenses	<u>1,466,263</u>	<u>1,684,935</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 3: EXPENSES (CONTINUED)

	Consolidated	
	2023	2022
	\$	\$
Affiliations and levies:		
Affiliations:		
- UNI Global Union	106,310	105,817
- Australian Council of Trade Unions	158,387	167,692
- Unions NSW	36,936	38,438
- Unions ACT	1,444	1,424
- Victorian Trades Hall Council	60,715	64,017
- Unions Tasmania	2,838	3,204
- Queensland Council of Unions	26,355	26,621
- Northern Territory Trades and Labour Council	1,023	1,115
- SA Unions	11,163	-
- Unions WA	24,638	24,093
- ALP: NSW Branch	47,195	50,170
- ALP: VIC Branch	41,129	43,258
- ALP: QLD Branch	18,291	21,674
- ALP: SA Branch	7,193	6,056
- ALP: WA Branch	25,567	29,472
- The Australia Institute	8,523	-
- Other Affiliations	4,563	2,506
Levies:		
- May Day Levy - Unions NSW, SA May Day Committee	682	-
- Unions NSW Union Pride & World Pride Committee	909	-
-WA Labor Field and Digital Organising Levy	-	5,365
-State Conference Delegate Fee (NSW)	2,400	-
-State Conference Delegate Fee (Qld)	800	-
-State Conference Delegate Fee (WA)	-	1,000
Total affiliations and levies	587,061	591,922
Office expenses:		
Operating lease rentals	-	-
Telecommunications	179,453	237,970
Information technology	612,970	615,832
Insurance	156,602	184,970
Education and training	6,020	6,893
Other office expenses	169,591	55,215
Total office expenses	1,124,636	1,100,880

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 3: EXPENSES (CONTINUED)

	Consolidated	
	2023	2022
	\$	\$
Other expenses:		
Meeting and conference expenses	207,739	10,790
Auditors remuneration		
- Auditing the financial statements	63,000	61,150
- Other services	4,000	4,000
Legal fees		
- Litigation	67,500	66,515
- Other legal matters	53,925	236,191
Bank charges – revenue collection	28,403	79,440
Bank charges – other	10,682	9,857
Interest expense – lease liabilities	14,640	66,381
Donations in excess of \$1,000	10,000	33,636
Donations \$1,000 or less	182	545
Amelioration fund:		
- Mortuary benefits	37,680	50,950
- Grants in excess of \$1,000	-	-
- Grants \$1,000 or less	-	-
- Remission of debts	-	-
- Provision for doubtful debts	626	3,763
Other expenses	50,711	24,997
Total other expenses	549,088	648,215
 Total Expenses	 14,139,597	 13,268,225
 <u>NOTE 4: RECEIVABLES</u>		
<i>Current</i>		
Subscriptions income accrued	56,492	51,036
Sundry debtors	234,694	221,782
Less allowance for expected credit losses	-	-
	291,186	272,818
Amelioration fund loans to members	15,697	40,612
Less allowance for expected credit losses	(5,550)	(5,000)
	10,147	35,612
	301,333	308,430
 <i>Non-Current</i>		
Amelioration fund loans to members	4,870	18,383
	4,870	18,383

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 5: FINANCIAL ASSETS

	Consolidated	
	2023	2022
	\$	\$
<i>Current</i>		
Financial assets at amortised cost		
Term deposits	5,000,250	5,333,198
	5,000,250	5,333,198
<i>Non-Current</i>		
Financial assets at fair value through profit or loss		
Managed investments	22,243,123	20,553,770
	22,243,123	20,553,770
Financial assets at fair value through other comprehensive income		
Shares in listed companies at market value	535,004	497,003
	535,004	497,003

NOTE 6: PROPERTY, PLANT & EQUIPMENT

Freehold land & buildings		
Fair value	25,500,000	27,265,000
Accumulated depreciation	(610,828)	-
Total freehold land and buildings	24,889,172	27,265,000
Reconciliation of the Opening and Closing Balances of Freehold Land and Buildings		
Gross book value 1 July 2022	27,265,000	33,395,000
Accumulated depreciation	-	(1,609,636)
Net book value 1 July 2022	27,265,000	31,785,364
Revaluations	(137,198)	4,210,452
Land and buildings classified as investment property	-	(8,124,000)
Land and buildings classified as held for sale	(1,575,000)	-
Depreciation expense	(663,630)	(606,816)
Net book value 30 June 2023	24,889,172	27,265,000
Net book value as of 30 June 2023 represented by:		
Gross book value	25,500,000	27,265,000
Accumulated depreciation	(610,828)	-
Net book value 30 June 2023	24,889,172	27,265,000

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 6: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Consolidated	
	2023	2022
	\$	\$
Furniture, fittings & equipment		
At cost	5,309,998	5,224,532
Accumulated depreciation	<u>(5,214,977)</u>	<u>(5,119,626)</u>
Total furniture, fittings & equipment	<u>95,021</u>	<u>104,906</u>
Reconciliation of the Opening and Closing Balances of Furniture, fittings and equipment		
Gross book value 1 July 2022	5,224,532	5,217,886
Accumulated depreciation	<u>(5,119,626)</u>	<u>(4,974,163)</u>
Net book value 1 July 2022	<u>104,906</u>	<u>243,723</u>
Additions	85,466	6,646
Depreciation expense	<u>(95,351)</u>	<u>(145,463)</u>
Net book value 30 June 2023	<u>95,021</u>	<u>104,906</u>
Net book value as of 30 June 2023 represented by:		
Gross book value	5,309,998	5,224,532
Accumulated depreciation	<u>(5,214,977)</u>	<u>(5,119,626)</u>
Net book value 30 June 2023	<u>95,021</u>	<u>104,906</u>
Motor Vehicles		
At cost	415,151	459,629
Accumulated depreciation	<u>(283,072)</u>	<u>(273,199)</u>
Total motor vehicles	<u>132,079</u>	<u>186,430</u>
Reconciliation of the Opening and Closing Balances of Motor Vehicles		
Gross book value 1 July 2022	459,629	525,918
Accumulated depreciation	<u>(273,199)</u>	<u>(232,621)</u>
Net book value 1 July 2022	<u>186,430</u>	<u>293,297</u>
Additions	43,217	-
Depreciation expense	(59,558)	(69,583)
Disposals	<u>(38,010)</u>	<u>(37,284)</u>
Net book value 30 June 2023	<u>132,079</u>	<u>186,430</u>
Net book value as of 30 June 2023 represented by:		
Gross book value	415,151	459,629
Accumulated depreciation	<u>(283,072)</u>	<u>(273,199)</u>
Net book value 30 June 2023	<u>132,079</u>	<u>186,430</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 6: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Consolidated	
	2023	2022
	\$	\$
Total property, plant & equipment		
Fair value/at cost	31,225,149	32,949,161
Accumulated depreciation	<u>(6,108,877)</u>	<u>(5,392,825)</u>
Total property, plant and equipment	<u>25,116,272</u>	<u>27,556,336</u>
Reconciliation of the Opening and Closing Balances of Property, Plant & Equipment		
Property, plant & equipment		
Gross book value 1 July 2022	32,949,161	39,138,804
Accumulated depreciation	<u>(5,392,825)</u>	<u>(6,816,420)</u>
Net book value 1 July 2022	<u>27,556,336</u>	<u>32,322,384</u>
Additions	128,683	6,646
Revaluations	(137,198)	4,210,452
Land and buildings classified as investment property	-	(8,124,000)
Land and buildings classified as held for sale	(1,575,000)	-
Depreciation expense	(818,539)	(821,862)
Disposals	<u>(38,010)</u>	<u>(37,284)</u>
Net book value 30 June 2023	<u>25,116,272</u>	<u>27,556,336</u>
Net book value as of 30 June 2023 represented by:		
Gross book value	31,225,149	32,949,161
Accumulated depreciation	<u>(6,108,877)</u>	<u>(5,392,825)</u>
Net book value 30 June 2023	<u>25,116,272</u>	<u>27,556,336</u>

The revaluations of freehold land and buildings as at 30 June 2022 were based on the assessment of their market value as at that date.

The valuations were performed by Charter Keck Cramer and Valuations WA, both are accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Refer to note 18 for revaluation methodology applied.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 7: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	
	2023	2022
	\$	\$
Land and Buildings	1,575,000	-
	1,575,000	-

The property situated at Level 2, 165 Adelaide Terrace, East Perth, WA is expected to be sold within three months from the reporting date through private sale. The property was subsequently sold in September 2023 for \$1,575,000.

NOTE 8: INVESTMENT PROPERTY

Investment Property		
Fair value	11,000,000	11,000,000
Total freehold land and buildings	11,000,000	11,000,000

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

Opening balance as at 1 July 2022	11,000,000	-
Investment property reclassified from property, plant and equipment	-	8,124,000
Net gain from fair value adjustment	-	2,876,000
Closing balance as at 30 June 2023	11,000,000	11,000,000

The valuations were performed by Charter Keck Cramer and Valuations WA, both are accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. Refer to note 18 for revaluation methodology applied. No revaluation was performed in the current year and management have assessed that any movement in fair value would be immaterial.

Additions during the 2022 financial year related to property reclassified from property, plant and equipment to investment property following management review of the dominant purpose for which properties are held.

Rental income earned and received from the investment property during the year was \$207,690 (2022: \$390,155).

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 9: TRADE AND OTHER PAYABLES

Trade creditors and accruals	185,950	161,224
Employee Benefits	170,295	330,272
Legal Costs:		
-Litigation	14,609	-
-Other legal matters	-	2,123
Membership fees collected in advance	284,844	294,738
Officers Life Insurance bonuses payable	236,638	235,378
GST payable	246,212	290,498
Other	68,898	66,985
	1,207,446	1,381,218
Total other payables are expected to be settled in:		
No more than 12 months	1,207,446	1,381,218
More than 12 months	-	-
Total other payables	1,207,446	1,381,218

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 10: KEY MANAGEMENT PERSONNEL

Key Management Personnel for the reporting period

- J. Angrisano (National Secretary)
- W. Streets (National President)
- J. Hall (National Assistant Secretary)
- N. McPherson (National Assistant Secretary)
- D. Marshall (Local Executive Secretary - WA) (resigned 1 August 2022)
- R. Reilly (Local Executive Secretary - NSW/ACT) (resigned 6 June 2023)
- P. Blackmore (Campaign Manager)
- M. Brown (Executive Officer & Administration Manager)
- B. Gallen (Campaign Manager)
- S. Lim (Communications & Marketing Manager)
- M. Pannowitz (Campaign Manager)
- S. Unadkat (Senior Accountant)

Key management personnel remuneration for the reporting period

	Consolidated	
	2023	2022
	\$	\$
Short term employee benefits		
- Salary	1,245,746	937,041
- Other short-term benefits	112,875	44,806
- Annual leave accrued	26,801	20,782
Post-employment benefits		
- Superannuation contributions	209,622	163,777
Other long-term benefits		
- Long service leave accrued	(80,306)	(516)
Termination Benefits	215,662	212,644
Total	1,730,400	1,378,534

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 11: 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.

	2023	2022
	<u>\$</u>	<u>\$</u>
Current assets		
Cash and equivalents	2,891,953	2,090,136
Financial assets at fair value through profit or loss	4,991,728	5,324,698
Trade and other receivables	248,944	201,972
Other current assets	<u>251,541</u>	<u>515,968</u>
Total current assets	<u>8,384,166</u>	<u>8,132,774</u>
Non-current assets		
Trade and other receivables	4,870	18,383
Loan receivable from property trust	20,500,000	20,500,000
Financial assets at fair value through profit or loss	22,243,123	20,553,770
Financial assets at fair value through other comprehensive income	535,004	497,003
Right-of-use asset	10,752	420,251
Property, plant & equipment	<u>225,691</u>	<u>289,029</u>
Total non-current assets	<u>43,519,440</u>	<u>42,278,436</u>
Total assets	<u>51,903,606</u>	<u>50,411,210</u>
Current liabilities		
Trade and other payables	18,981,399	18,415,391
Lease liabilities	6,926	463,096
Provision - employee entitlements	<u>1,678,113</u>	<u>1,430,233</u>
Total current liabilities	<u>20,666,438</u>	<u>20,308,720</u>
Non-current liabilities		
Lease Liabilities	4,201	11,126
Provision - employee entitlements	<u>668,698</u>	<u>612,374</u>
Total non-current liabilities	<u>672,899</u>	<u>623,500</u>
Total liabilities	<u>21,339,337</u>	<u>20,932,220</u>
Net assets	<u>30,564,269</u>	<u>29,478,990</u>
General Funds	30,447,022	29,399,745
Reserves	<u>117,247</u>	<u>79,245</u>
Total accumulated funds	<u>30,564,269</u>	<u>29,478,990</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 11: 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.

	<u>2023</u>	<u>2022</u>
	\$	\$
Net income/(deficit)	<u>1,023,286</u>	<u>1,704,033</u>
Other income		
Net gain/(loss) on disposal of non-current physical asset	<u>23,990</u>	<u>16,589</u>
Net Income/(Deficit) for the year	<u>1,047,276</u>	<u>1,720,622</u>
Other comprehensive income		
Gain/(loss) on shares held for long term investment	<u>38,001</u>	<u>(71,947)</u>
Total Comprehensive Income/(Deficit)	<u>1,085,277</u>	<u>1,648,675</u>

CONTINGENT LIABILITIES

At 30 June 2023, the Finance Sector Union of Australia had a contingent liability for \$159,067 (2022 - \$255,205) relating to 3 guarantees provided to the National Australia Bank on behalf of its subsidiary, in relation to property lease contracts entered into by its subsidiary, and other matter. 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 12: CONTROLLED ENTITIES

Subsidiary of Finance Sector Union of Australia:

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

	2023	2022
Country of incorporation	Australia	Australia
Percentage owned	100%	100%
Investment at cost	\$2	\$2
Contribution to group operating surplus	\$202,068	\$2,818,620

Rent of \$1,344,771 (2022 - \$1,386,826) was invoiced by the Property Trust to the FSUA during the year at commercial rates.

The FSU Property Trust made a trust distribution of \$202,068 (2022 - \$2,818,620) to FSUA, its sole beneficiary, at the end of the year.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 13: PROVISION – EMPLOYEE ENTITLEMENTS

	Consolidated	
	2023	2022
	\$	\$
<i>Current</i>		
Office holders:		
Annual leave	157,654	169,739
Long service leave	203,623	275,992
	361,277	445,731
Employees:		
Annual leave	879,084	609,734
Long service leave	437,752	374,768
	1,316,836	984,502
	1,678,113	1,430,233
<i>Non-Current</i>		
Office holders:		
Long service leave	77,458	93,890
	77,458	93,890
Employees:		
Long service leave	591,240	518,484
	591,240	518,484
	668,698	612,374

NOTE 14: RELATED PARTY TRANSACTIONS

Disclosure in relation to officers' remuneration are set out in Note 3.

During the period, the Union received board fees on behalf of Julia Angrisano for her other Directorships for \$97,500 (2022: \$85,050). The Union is not obliged to repay these fees and so treat them as other income.

During the period, the Union paid affiliation fees to a number of parties detailed in Note 3 that the members of the National Executive sit on the governing body.

There were no other related party transactions with any members of National Executive during the year, except for honorarium payments to members of the National Executive totalling \$53,487 (2022 - \$45,658).

Revenue received from related parties

There was no other revenue received from related parties in the current and previous reporting period.

Expenses paid to related parties

There were no other expenses paid to related parties in the current and previous reporting period.

Receivable from and payable to related parties

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

Loans to/from related parties

There were no loans to or from related parties in the current and previous reporting period.

Assets transferred to/from related parties

During the period, the Union transferred a vehicle to Dianne Marshall for \$19,000. The transaction was made at arm's length terms. There were no other assets transferred to or from related parties in the current and previous reporting period.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 15: LEASES

As at 30 June 2023 the Finance Sector Union of Australia has a commitment to leases with the following lessors:-
Paulsons (QLD) Pty Ltd and Scottfam Holdings Pty Ltd - FSU Office Montague Street, West End, QLD
-remaining term – 4 – 5 years with an option to renew for a further 5 years.
AC SMSF Investments Pty Ltd - FSU Office Markey Street, Eastwood, SA - remaining term – 2 to 3 years,
with an option to renew for a further 5 years.
Ricoh – equipment lease – remaining term 1-2 years.

The Union as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Consolidated	
	2023	2022
	\$	\$
As at 30 June 2022	776,378	1,619,079
Additions	618,613	20,372
Disposals	-	-
Depreciation expense	(647,726)	(863,073)
As at 30 June 2023	747,265	776,378

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Consolidated	
	2023	2022
	\$	\$
As at 30 June 2022	867,303	1,748,233
Additions	618,613	20,372
Accretion of interest	46,461	66,769
Payments	(745,764)	(968,071)
As at 30 June 2023	786,613	867,303
Current	48,878	684,067
Non-current	737,735	183,236

The maturity analysis of lease liabilities is disclosed in Note 16.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	647,726	863,073
Interest expense on lease liabilities	46,461	66,769
Total amount recognised in profit or loss	694,187	929,842

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 15: LEASES (CONTINUED)

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Consolidated		Total
	Within five years	More than five years	
	\$	\$	\$
2023			
Extension options expected not to be exercised	-	-	-
	-	-	-
2022			
Extension options expected not to be exercised	2,913,657	560,120	3,473,777
	2,913,657	560,120	3,473,777

NOTE 16: CASH FLOW

	Consolidated	
	2023	2022
	\$	\$
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 at bank	3,006,971	2,218,651
	3,006,971	2,218,651
(b) Reconciliation of surplus / (deficit) to net cash from operating activities:		
Surplus / (deficit) for the year	1,047,276	1,720,620
Prior year losses not distributed from FSU Property Trust	-	452,910
Adjustments for non-cash items		
Depreciation & amortisation	1,466,263	1,684,934
Increase/(decrease) in expected credit losses	550	(6,948)
(Increase)/decrease in market value of non-current investments	(1,689,353)	1,506,054
(Profit)/loss on sale of assets	(23,990)	(16,589)
Fair value gain on revaluation of Land and Buildings	-	(2,876,000)

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 16: CASH FLOW (CONTINUED)

	Consolidated	
	2023	2022
	\$	\$
Changes in assets & liabilities		
Increase/(decrease) in accounts payable	(7,230)	264,078
Increase/(decrease) in provision for employee entitlements	304,205	(71,722)
(Increase)/decrease in subscriptions receivable	(5,456)	75,892
(Increase)/decrease sundry receivables	(4,532)	(32,775)
(Increase)/decrease prepayments	90,047	(171,257)
Cash Flow used in operating activities	1,177,780	2,529,197
 CASH FLOW INFORMATION		
Cash inflows from		
FSU Property Trust Pty Ltd	812,338	902,320
Total cash inflows	812,338	902,320
Cash outflows from		
FSU Property Trust Pty Ltd	825,834	825,829
Total cash outflows	825,834	825,829

NOTE 17: 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 in listed companies 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 Partnervest. The funds are invested in Australian Equities, International Equities, Property, Fixed Interest and Cash products.

	Weighted Average Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate Maturing	
				Within 1 Year	Within 1 to 5 Years
<u>Consolidated 2023</u>					
<i>Financial assets</i>					
Cash at bank and bank term deposits					
– at amortised cost	2.33%	8,007,221	-	-	-
Managed investments at FVTPAL	N/A	-	22,243,123	-	-
Shares in listed companies at FVTOCI	N/A	-	535,004	-	-
Receivables–other at amortised cost	N/A	-	291,186	-	-
Receivables–UCF at amortised cost	5.00%	-	-	10,147	4,870
Total financial assets		8,007,221	23,069,313	10,147	4,870

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 17: 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
<u>Consolidated 2023</u>					
<i>Financial liabilities</i>					
Accounts payable-at amortised cost	N/A	-	682,309	-	-
Total financial liabilities		-	682,309	-	-
<u>Consolidated 2022</u>					
<i>Financial assets</i>					
Cash at bank and bank term deposits – at amortised cost	0.28%	7,551,849	-	-	-
Managed investments at FVTPAL	N/A	-	20,553,770	-	-
Shares in listed companies at FVTOCI	N/A	-	497,003	-	-
Receivables-other at amortised cost	N/A	-	272,818	-	-
Receivables-UCF at amortised cost	5.00%	-	-	35,612	18,383
Total financial assets		7,551,849	21,323,591	35,612	18,383
<i>Financial liabilities</i>					
Accounts payable-at amortised cost	N/A	-	850,779	-	-
Total financial liabilities		-	850,779	-	-
<i>Net income/ (expense) from financial assets</i>					
				Consolidated	
				2023	2022
				\$	\$
Financial assets at amortised cost					
Interest Revenue – Cash at bank and Term Deposits				188,247	20,521
Interest Revenue – Loans to members				1,971	228
				190,218	20,749
Financial assets through profit and loss					
Change in fair value – Managed Investments				1,689,353	(1,506,054)
				1,689,353	(1,506,054)
Financial assets through other comprehensive income					
Change in fair value – Shares in listed companies				38,001	(93,179)
Dividend income – Shares in listed companies				28,273	25,247
				66,274	(67,932)
Total net income from financial assets				1,945,845	(1,553,237)

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

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 allowance for expected credit loss, 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 2023 \$	Past due or impaired 2023 \$	Not Past Due Nor Impaired 2022 \$	Past due or impaired 2022 \$
Subscriptions income accrued	56,492	-	51,036	-
Sundry debtors	234,694	-	118,326	103,455
Amelioration fund loans to members	15,017	5,550	55,855	5,000
Total	306,203	5,550	225,217	108,455

Ageing of trade and other receivables that were past due but not impaired for 2023

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Sundry debtors	-	-	-	-	-
Total	-	-	-	-	-

Ageing of trade and other receivables that were past due but not impaired for 2022

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Sundry debtors	-	-	-	103,455	103,455
Total	-	-	-	103,455	103,455

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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity Risk

Liquidity arises when the Union is unable to meet its financial obligations as they fall due. The Union operates under a policy of settling financial obligations within 30 days. In the event of a dispute, payments are made within 30 days of the date of resolution. The Union manages liquidity risk by continuously monitoring future cash flows and maturities, and planning to ensure adequate holding of cash and cash equivalents. The Union's exposure to liquidity risk is deemed insignificant based on data from prior periods and current assessment of risk. The maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Lease liability maturities for 2023 – Consolidated

	<1 year \$	1-2 years \$	2-5 years \$	> 5 years \$	Total \$
Land and buildings	84,726	88,717	305,684	543,192	1,022,319
Plant and Equipment	7,320	4,270	-	-	11,590
Total	92,046	92,987	305,684	543,192	1,033,909

Lease liability maturities for 2022 – Consolidated

	<1 year \$	1-2 years \$	2-5 years \$	> 5 years \$	Total \$
Land and buildings	699,347	23,945	76,234	109,581	909,107
Plant and Equipment	7,320	7,320	4,270	-	18,910
Total	706,667	31,265	80,504	109,581	928,017

Subscription revenue from members for the year ended June 30, 2023 of \$12,712,556 (2022 - \$13,324,310) 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. Deposits are made with National Australia 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. Sensitivity analysis of the interest rate risk the Union is exposed to:

	Change in risk variable %	2023 Effect on profit or loss \$	2023 Effect on Equity \$	2022 Effect on profit or loss \$	2022 Effect on Equity \$
Interest rate risk	+0.50%	25,708	25,708	27,131	27,131
Interest rate risk	- 0.50%	(23,067)	(23,067)	(18,956)	(18,956)

(ii) Foreign Currency Risk

Foreign currency risk is limited to the managed funds which are invested in international equities and fixed interest investments. These risks are managed by Partnervest.

(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. Sensitivity analysis of the price risk the Union is exposed to:

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

Market Risk (continued)

	Change in risk variable %	2023 Effect on profit or loss \$	2023 Effect on Equity \$	2022 Effect on profit or loss \$	2022 Effect on Equity \$
Price risk	+1.00%	127,126	127,126	133,243	133,243
Price risk	- 1.00%	(127,126)	(127,126)	(133,243)	(133,243)

(d) Changes in liabilities from financing activities

	Consolidated	
	2023	2022
	\$	\$
As at 30 June 2022	867,303	1,748,233
Net cash used in financing activities	(699,303)	(901,301)
Acquisition of leases	618,613	20,371
As at 30 June 2023	<u>786,613</u>	<u>867,303</u>

NOTE 18: 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.

Fair value hierarchy

The following tables detail the Union'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 – 2023	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Managed investments	-	22,243,123	-	22,243,123
Shares in listed companies	535,004	-	-	535,004
Land and buildings	-	24,889,172	-	24,889,172
Investment property	-	11,000,000	-	11,000,000
Total assets	<u>535,004</u>	<u>58,132,295</u>	<u>-</u>	<u>58,667,299</u>
Consolidated – 2022				
<i>Assets</i>				
Managed investments	-	20,553,770	-	20,553,770
Shares in listed companies	497,003	-	-	497,003
Land and buildings	-	27,265,000	-	27,265,000
	-	11,000,000	-	11,000,000
Total assets	<u>497,003</u>	<u>58,818,770</u>	<u>-</u>	<u>59,315,773</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 18: FAIR VALUE HIERARCHY (CONTINUED)

There were no transfers between levels during the financial year.

The valuation technique utilised in the determination of the fair value of land, buildings and investment property is the market approach using income capitalisation as the primary method and direct comparison as the secondary method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The significant observable inputs relate to the direct cost/value per square meter with estimated ranges between \$2,900/m² and \$3,070/m² in Western Australia, and with an estimate of \$13,530/m² in New South Wales. The significant observable inputs relate to the direct cost/value per square meter for investment property was \$3,604/m² in Western Australia and \$10,984/m² in New South Wales. The estimated fair value would increase / (decrease) if the estimated price per square meter were higher / (lower).

NOTE 19: REMUNERATION OF AUDITORS

	Consolidated	
	2023	2022
	\$	\$
Value of the services provided		
Financial statement audit services	63,000	61,150
Membership and returns audit services	4,000	4,000
Total remuneration of auditors	67,000	65,150

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

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

Significant events that occurred after 30 June 2023, and prior to the signing of the financial statements were sale of the property held at Level 2, 165 Adelaide Terrace, East Perth, WA. There is no impact on the operating activities of the Union.

NOTE 21: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

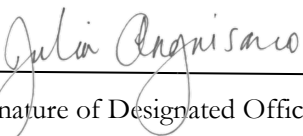
- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, 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).

FINANCE SECTOR UNION OF AUSTRALIA

**EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 30 June 2023**

The Committee of management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2023.

	2023	2022
	\$	\$
Remuneration and other employment - related costs and expenses - employees	9,316,488	8,338,586
Advertising	-	-
Operating Costs	3,089,879	2,689,420
Donations to political parties	-	24,545
Legal Costs	266,967	530,737
	<u>12,673,334</u>	<u>11,583,288</u>



Signature of Designated Officer

Julia Angrisano, National Secretary
Name and title of designated Officer

29 November 2023
Date

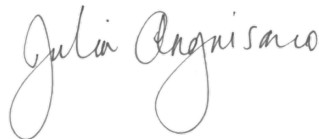
FINANCE SECTOR UNION OF AUSTRALIA
OFFICER DECLARATION STATEMENT

I, Julia Angrisano, being the National Secretary of the Finance Sector Union of Australia, declare that the following activities did not occur during the reporting period ending 30 June 2023.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 29 November 2023

RSM Australia Pty Ltd

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT To the Members of Finance Sector Union of Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Finance Sector Union of Australia (the Union) and its controlled entity (the reporting unit), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year ended 30 June 2023, notes to the financial statements, including a summary of significant accounting policies, the statement of the National Executive, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the reporting unit as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) The Australian Accounting Standards; and
- (ii) 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).

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

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

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

Page 42

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ANC 009 321 377 at Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

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

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

National Executives' Responsibilities for the Financial Report

The National Executive of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view 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 are 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We declare that we are an auditor as registered under the RO Act.

Report on Other Legal and Regulatory Requirements

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



RSM AUSTRALIA PTY LTD



M PARAMESWARAN

Partner

Melbourne, Victoria

Date: 29 November 2023

Registration number (as registered under the RO Act): AA2021/4

Finance Sector Union of Australia Operating Report for the year ended 30 June 2023

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2023.

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

During the period 1 July 2022 to 30 June 2023, the Finance Sector Union:

- Received application for and admitted 2,336 members;
- Appointed 63 members as FSU workplace representatives;
- Negotiated and had approved 10 enterprise agreements covering approximately 36,835 employees;
- Made at least 7 submissions to, and appeared before, Commonwealth of Australia Parliamentary Committees and various Federal and State inquiries and consultations;
- Made approximately 39 applications to Fair Work Commission regarding Industrial disputes, award variations and seeking award coverage of award free employees;
- Provided representation to 2,178 members at the workplace or enterprise level;
- Was party to 96 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.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

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 21,737 members at the end of the reporting period.

Number of employees

The union employed 81 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:

Name	Member 30 June 2022	Date Appointed	Date Resigned	Member 30 June 2023
Julia Angrisano	Yes	06/06/2023 ¹		Yes
Wendy Streets	Yes	06/06/2023 ²		Yes
Jason Hall	Yes	06/06/2023 ²		Yes
Nicole McPherson	Yes	06/06/2023 ²		Yes
Johanna Tran	Yes	06/06/2023 ²		Yes
James Dixon	Yes		29/07/2022	No
Adam Woodward	Yes		05/06/2023 ⁴	No
Maurice Farrell	Yes	06/06/2023 ²		Yes
Adam Fay	Yes	06/06/2023 ²		Yes
Paul Ferrari	Yes		05/06/2023	No
David Symonds	Yes		11/10/2022	No
Sarah Gallagher	No	12/10/2022 ³ 06/06/2023 ²		Yes
Sacha Hammersley	Yes	06/06/2023 ²		Yes
Matthew Rowe	Yes	06/06/2023 ²		Yes
Meghala Nair	No	01/08/2022 ⁴ 06/06/2023 ²		Yes
Karen Anthony	No	06/06/2023 ²		Yes
Paul Everson	No	06/06/2023 ²		Yes
Steven Howland	No	06/06/2023 ²		Yes
Dianne Marshall	Yes		01/08/2022	No
Rebecca Reilly	Yes		05/06/2023	No

¹ Re-elected

² Elected to new position

³ Appointed

⁴ Deputy

Please note that during the reporting period the Finance Sector Union transitioned to new rules and positions. The inaugural elections for the new positions were also carried out during the reporting period.



Signature of designated officer:

Julia Angrisano

Name and title of designated officer:

29 November 2023

Dated