FÓRSA TRADE UNION

Accounts for the financial period ended 31 December 2018

Contents

Union information

Union Name	Fórsa Trade Union
President	Ann Mc Gee
Senior General Secretary	Shay Cody
Senior General Secretary Designate	Kevin Callinan
General Secretary	Eoin Ronayne
Treasurer	Kevin O'Malley
Auditors	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18 City Quay Dublin 2
Addresses	Adelaide House 19-20 Adelaide Road, Dublin 2 Nerney's Court Dublin 1
Bankers	Allied Irish Banks plc 7-12 Dame Street Dublin 2 Bank of Ireland O'Connell Street Dublin 1

Union information *(continued)*

Bankers *(continued)*	Bank of Ireland St. Stephen's Green Dublin 2
	Bank of Ireland Lower Baggot St. Dublin 2
	Bank of Ireland, College Green, Dublin 2
	Irish Life & Permanent St. Stephen's Green Dublin 2
	AIB Bank 140 Lower Drumcondra Road Drumcondra, Dublin 9
	Civil Service Credit Union Ltd. St. Stephen's Green House Earlsfort Terrace, Dublin 2
	Ireland State Savings (An Post) GPO, Dublin 1
Investment consultants	Cantor Fitzgerald 75 St. Stephens Green Dublin 2
	Davy's Stockbrokers 49 Dawson St. Dublin 2

Union information *(continued)*

Solicitors	Darach Connolly 21 Parliament Street Dublin 2
	Martin A. Harvey & Co. 9-10 Georges Quay Cork
	Daniel Spring & Co. 50 Fitzwilliam Square Dublin 2
	J & E Davy 49 Dawson St. Dublin 2
	Arthur P McLean & Company 31 Parliament St. Dublin 2
The Registry of Friendly Societies Registered Number	614T

Officers' Report

The Officers present their report and audited financial statements for the period 2 January 2018 to 31 December 2018.

Effective 2 January 2018, Irish Municipal Public and Civil Trade Union ("IMPACT"), Civil and Public Services Union ("CPSU") and Public Service Executive Union ("PSEU") or collectively referred as "legacy unions" amalgamated to form Fórsa Trade Union ("Union"). As a result of amalgamation, and to align the policies of the legacy unions for the accounting of branch operations, income, expenditure, funds and effects of the branches have been excluded in the accounts. This has resulted in an adjustment to the reserves transferred from the legacy union amounting to €689k as detailed in Note 2.1.

Statement of Officers' responsibilities

The National Executive is, under Rule 30 of the instrument of amalgamation to form Forsa, responsible for the general management, direction and control of the financial affairs of the Union.

This entails ensuring

- that adequate financial controls are in place and that competent financial management is employed;
- that the assets of the Union are safeguarded and that reasonable steps are taken for the prevention and detection of fraud and of other irregularities; and
- that financial statements are prepared for the Union which give a true and fair view of the state of affairs of the Union and of its income, expenditure, net revenue and cash flow and that, in the preparation of the financial statements, appropriate accounting policies are consistently applied and that such judgments and estimates as are made are reasonable and prudent.

On behalf of the National Executive

Ann McGee	**Kevin O'Malley**
President	Treasurer

Date:

Independent auditor's report to the members of Fórsa Trade Union

We have audited the financial statements of the "Fórsa Trade Union", (the Union), for the financial period ended 31 December 2018, which comprise the statements of income and expenditure for general fund, developing world fund, contingency fund and benefit fund, balance sheet, cash flow statement and the related notes to the financial statements including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

Opinion

In our opinion, the financial statements

- give a true and fair view of the state of the Union's affairs as at 31 December 2018 and of its surplus and cash flows for the period then ended; and

- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Union. The accounts are in agreement with the books of account.

Without qualifying our opinion above, we draw attention to the fact that income, expenditure, funds and effects of the branches are not included in the accounts as detailed in Note 2.1 to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditors' report to the members of Fórsa Trade Union *(continued)*

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the officers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Respective responsibilities of officers and those charged with governance for the financial statements

As explained more fully in the Statement of Officers' responsibilities, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Union'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 management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

Independent auditors' report to the members of Fórsa Trade Union *(continued)*

Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, 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 their 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Independent auditors' report to the members of Fórsa Trade Union *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Union's members, as a body in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

GRANT THORNTON
Chartered Accountants and
Statutory Audit Firm
13-18 City Quay
Dublin 2

Date:

General Fund
Statement of Income & Expenditure
For the financial period 2 January 2018 to 31 December 2018

	Note	2018 €
Income		
Subscription income	4	16,692,574
Deposit interest receivable		21,522
Staff loan interest receivable		614
Investment income		
-Interest on deposits, government stocks and dividend income		29,400
-Fair value gain on investments held	10	8,525
		16,752,635
Expenditure		
Administration, establishment and general expenses		(16,236,698)
Depreciation on office equipment and motor vehicles	9	(277,186)
Once-off redundancy costs		(645,995)
Net other finance income	5	59,000
Deficit for the period before tax	6	(348,244)
Tax	8	(7,254)
Deficit for the period after tax		(355,498)

Statement of other comprehensive surplus
for the financial period 2 January 2018 to 31 December 2018

Deficit for the period after tax		(355,498)
Remeasurement of defined benefit plans	15	1,099,000
Total comprehensive surplus for the period		743,502

General Fund
Statement of Income & Expenditure (continued)

Movement in the general fund
for the financial period 2 January 2018 to 31 December 2018

	Note	2018
		€
Surplus transferred from legacy unions		35,750,932
Adjustment to exclude branch operations	2.1	(689,789)
Total comprehensive surplus for the period		743,502
Surplus at the end of the period		35,804,645

All amounts relate to continuing operations.

Ann McGee
President

Kevin O'Malley
Treasurer

Date:

Developing World Fund
Statement of Income & Expenditure
For the financial period 2 January 2018 to 31 December 2018

	Note	2018 €
Income		
Subscription income	4	621,894
Deposit interest receivable		15
		621,909
Expenditure		
Projects		(519,952)
Surplus for the period before tax	6	101,957
Tax	8	-
Surplus for the period after tax		101,957

Statement of other comprehensive surplus
for the financial period 2 January 2018 to 31 December 2018

Surplus for the period after tax	101,957
Total comprehensive surplus for the period	101,957

Movement in the developing world fund
for the financial period 2 January 2018 to 31 December 2018

Surplus transferred from legacy unions	49,635
Total comprehensive surplus for the period	101,957
Surplus at the end of the period	151,592

All amounts relate to continuing operations.

Ann McGee
President

Kevin O'Malley
Treasurer

Date:

The notes on pages 18 to 44 form part of these accounts

Contingency Fund
Statement of Income & Expenditure
For the financial period 2 January 2018 to 31 December 2018

	Note	2018 €
Income		
Subscription income	4	1,036,490
Investment income		
- Interest on deposits, government stocks and dividend income		1,034,198
- Profit on disposal of investments held at fair value		163,285
- Fair value movement on investments held	10	(2,999,597)
- Rent receivable		529,344
		(236,280)
Expenditure		
Strike pay and other expenses		(45,868)
Commission on sale of investments		(1,316)
Investment consultancy fees		(24,600)
Depreciation on buildings	9	(507,117)
Legal costs of disputes		(6,174)
Property management charges		(35,667)
		(620,742)
Deficit for the period before tax	6	(857,022)
Tax charge	8	(194,556)
Deficit for the period after tax		(1,051,578)

The notes on pages 18 to 44 form part of these accounts

Contingency Fund
Statement of Income & Expenditure (continued)

Statement of other comprehensive deficit
For the financial period 2 January 2018 to 31 December 2018

	2018
	€
Deficit for the period after tax	(1,051,578)
Total comprehensive deficit for the period	(1,051,578)

Movement in the contingency fund
for the financial period 2 January 2018 to 31 December 2018

	2018
	€
Surplus transferred from legacy unions	59,761,196
Total comprehensive deficit for the period	(1,051,578)
Surplus at the end of the period	58,709,618

All amounts relate to continuing operations.

Ann McGee
President

Kevin O'Malley
Treasurer

Date:

Benefit Fund
Statement of Income & Expenditure
For the financial period 2 January 2018 to 31 December 2018

	Note	2018 €
Income		
Subscription income	4	524,993
Investment income		3,680
		528,673
Expenditure		
Benefit expenses		(399,583)
Overhead expenses		(77,596)
Surplus for the period before tax		51,494
Tax	8	-
Surplus for the period after tax		51,494

Statement of other comprehensive surplus
for the financial period 2 January 2018 to 31 December 2018

Surplus for the period after tax	51,494
Total comprehensive surplus for the period	51,494

Movement in the benefit fund
for the financial period 2 January 2018 to 31 December 2018

Surplus transferred from legacy unions	2,580,732
Total comprehensive surplus for the period	51,494
Surplus at the end of the period	2,632,226

All amounts relate to continuing operations.

Ann McGee
President

Kevin O'Malley
Treasurer

Date:

Balance Sheet
As at 31 December 2018

	Note	31 Dec 2018 €
Non-current assets		
Tangible fixed assets	9	24,023,916
Investment properties	9	5,264,943
Investments	10	32,891,729
Pension asset - net	15	4,862,629
		67,043,217
Current assets		
Investments	10	7,154,639
Debtors and prepayments	11	4,235,500
Cash and cash equivalents	12	21,643,945
		33,034,084
Current liabilities		
Creditors: amounts falling due within one year	13	(1,956,320)
		(1,956,320)
Net current assets		31,077,764
Total assets less current liabilities		98,120,981
Other liabilities		
Provision for liabilities and charges	14	(822,900)
		(822,900)
Total net assets		97,298,081
Represented by:		
General fund		35,804,645
Developing world fund		151,592
Contingency fund		58,709,618
Benefit funds		2,632,226
		97,298,081

The financial statements were approved by the Trustees on ______ and signed on its behalf by:

Ann McGee
President

Kevin O'Malley
Treasurer

The notes on pages 18 to 44 form part of these accounts

Cash flow statement
For the financial period ended 31 December 2018

	Note	31 Dec 2018 €
(Deficit) / surplus for the period before tax -		
General fund		(348,244)
Developing world fund		101,957
Contingency fund		(857,022)
Benefit fund		51,494
Total deficit for the period before tax		(1,051,815)
Non cash adjustments		
- Profit on disposal of investments held at fair value	10	(163,285)
- Fair value adjustment on investments	10	2,991,072
- Depreciation of property and equipment	9	784,303
- Interest and dividend income		(1,063,598)
- Actuarial gains on pension asset (net)	15	1,099,000
Total non cash adjustments		3,647,492
		2,595,677
Net changes in working capital		
- Increase in trade and other receivables		(1,223,740)
- Decrease in trade and other payables		(49,983)
- Decrease in provision for liabilities and charges	14	(10,000)
- Increase in pension asset (net)	15	(3,510,000)
- Exclusion of opening Branch bank balances	2.1	(445,226)
Net changes in working capital		(5,238,949)
Total net changes in working capital		**(2,643,272**)
Income taxes paid		(201,810)
Net cash used in operating activities		**(2,845,082)**
Investing Activities		
Purchase of property and equipment	9	(3,521,860)
- Purchase of investment properties	9	(5,264,943)
- Purchase of investments	10	(732,652)
- Proceeds from sale of investments	10	1,674,526
- Interest and dividends received		1,063,598
- **Net cash used in investing activities**		**(6,781,331)**
Net change in cash and cash equivalents		**(9,626,413)**
Cash and cash equivalents transferred from legacy unions	1	**31,270,358**
Cash and cash equivalents, end of financial period	12	**21,643,945**

The notes on pages 18 to 44 form part of these accounts

Notes to the accounts
For the financial period ended 31 December 2018

1. Union Information

Fórsa Trade Union ("Union") is a union established under its rules and the Trade Union Act when Irish Municipal Public and Civil Trade Union ("IMPACT"), Civil and Public Services Union ("CPSU") and Public Service Executive Union ("PSEU") or collectively referred as "legacy unions" amalagamated effective on 2 January 2018.

In November 2017, the members of the legacy unions voted by a significant majority in favour of the amalgamation of the three organisations. Effective from 2 January 2018, all operations of the legacy unions, including its assets and liabilities, were transferred to Fórsa Trade Union and as such, the former legacy unions ceased trading under their respective names from that date.

The address of the registered office is Adelaide House, 19-20 Adelaide Road, Dublin 2, Ireland. The union represents members in the public service, as well as the commercial section, state agencies, some private companies and in the community and voluntary sector.

The Union is registered with the Registry of Friendly Societies and is affiliated with the Irish Congress of Trade Unions.

2. Accounting policies

2.1 *Basis of preparation of financial statements*

The Union's financial statements have been prepared in accordance with applicable accounting standards issued by the Financial Reporting Council, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

The preparation of financial statements in compliance with FRS102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Union's accounting policies (see note 3).

As a result of the amalgamation of the legacy unions to form Forsa Trade Union effective 2 January 2018, these financial statements will be the first set of financial statements prepared for the Union.

Alignment of accounting treatment of the income, expenditure, funds and effects of the branches

Income, expenditure, funds and effects of the branches were not included in the accounts of IMPACT, whereas, these were included in the accounts of CPSU and PSEU. As a result of the amalgamation, the Officers have decided to adopt IMPACT's accounting policy for the Union for the reason that the branches have full control of their resources from the head office allocation. As a result, these financial statements do not include the income, expenditure, funds and effects of the branches. The adoption of this policy resulted in an adjustment to the opening reserves – General fund surplus transferred from legacy unions amounting to €689k (€304k for CPSU and €385k for PSEU). The adjustment comprises Branch Cash amounting to €445k and Amounts due to Branches amounting to €244k.

Notes to the accounts
For the financial period ended 31 December 2018
Accounting policies (continued)

2.1 *Basis of preparation of financial statements (continued)*

Alignment of accounting treatment of the income, expenditure, funds and effects of the branches (continued)

Branches of the Union are funded from Central Funds as per rule from subscriptions paid by branch members. ln addition, a Capitation Grant is paid determined by the number of members in each branch on a sliding scale ranging from €290 to €4,765. Some branches also impose additional levies on their members, and these funds are collected on behalf of and remitted to branches. The subscription income is reduced by these allocation to the branches. Note 4 sets out the detail of amounts paid to branches in the year.

The following policies have been adopted in preparing the financial statements.

The financial statements are presented in Euro (€).

2.2 *Subcription income*

Subscriptions to the general fund, contingency fund, developing world fund and benefit fund are accounted for on an accruals basis. Subscriptions are stated net of branch levies, branch refunds and capitation grants.

2.3 *Holiday pay*

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.4 *Property and equipment*

Land and building are measured at revalued amount less accumulated depreciation. All other property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value.

Property and equipment under the cost model are stated at cost (net book value for the assets transferred from the legacy unions as at 2 January 2018) less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Revalued amounts represent fair values determined by external professional valuers unless market-based factors indicate immediate impairment risk. Fair value is determined on the replacement cost of an asset with an equally satisfactorily substitute asset, which is normally derived from the current acquisition cost of a similar asset. Any revaluation surplus is recognized in other comprehensive income. Any revaluation deficit directly offsetting a previous surplus in the same asset is charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and the remaining deficit, if any, is recognized in profit or loss.

At each reporting date the Union assesses whether there is any indication of impairment.

Notes to the accounts
For the financial period ended 31 December 2018
Accounting policies (continued)

2.5 *Property and equipment (continued)*

If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to income and expenditure account during the period in which they are incurred.

Depreciation is calculated to write off the assets over their expected useful lives at the following annual rates:

Freehold premises	- 2% to 3% straight line
Office furniture & fittings	- 15% reducing balance
Computer equipment	- 20% to 33% straight line
Motor vehicles	- 25% straight line
Construction in progress	- Not depreciated

Depreciation incurred on premises is charged to the contingency fund as these are considered assets of that fund.

2.5 *Investment properties*

Investment property is carried at fair value determined by external valuers annually at each reporting date as derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.6 *Investments*

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Income and Expenditure account for the period.

2.7 *Impairment of assets*

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Notes to the accounts
For the financial period ended 31 December 2018
Accounting policies (continued)

2.7 *Impairment of assets (continued)*

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8 *Debtors*

Short term debtors are measured at transaction price, less any impairment.

2.9 *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash equivalents that are maturing in more than three from the balance sheet date are classified as Current Investments.

2.10 *Creditors*

Short term creditors are measured at the transaction price.

2.11 *Pensions*

The Union operates defined benefit plans primarily administered through three different schemes continued from the legacy unions. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset recognised in the balance sheet in respect of the defined benefit plans is the fair value of the plan assets at the reporting date less the present value of the defined benefit obligations at the end of the reporting date.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of defined benefit plans'.

Notes to the accounts
For the financial period ended 31 December 2018
Accounting policies (continued)

2.11 *Pensions (continued)*

The cost of the defined benefit plans as recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises: (a) the increase in pension benefit liability arising from employee service during the period; and (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Net other finance income/(expense)'.

Unfunded pension commitments

An unfunded pension plan is a Union-managed retirement plan that uses the Union's current income to fund pension payments as they become necessary. The Union recognises a provision for unfunded pension commitments calculated similar to the funded pension plans.

2.12 *Financial instruments*

The Union only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured: at fair value with changes recognised in profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably; at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured at the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Union would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the accounts
For the financial period ended 31 December 2018
Accounting policies (continued)

2.13 *Provisions for liabilities*

Provisions are recognised when the Union has a present obligation (legal or constructive) as a result of a past event, it is probable that the union will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 *Interest income and dividend income*

Interest income and dividend income are recognised in the Income and Expenditure account on an accruals basis.

2.15 *Foreign currency translation*

The Union's functional and presentational currency is Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.16 *Current and deferred taxation*

The Union is generally exempt from tax on results from transactions with members of the trade union but are liable to taxation for transactions other than its main activities (i.e. interest, dividend and rental income).

Tax is recognised in the income and expenditure account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in reserves respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Union operates and generates income.

Notes to the accounts
For the financial period ended 31 December 2018
Accounting policies (continued)

2.16 *Current and deferred taxation (continued)*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Union can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Union that have the most significant effect on the financial statements.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

Notes to the accounts
For the financial period ended 31 December 2018
Accounting policies (continued)

3 Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain property, plant and equipment.

Fair value measurement

Management uses valuation techniques to determine the fair value of investments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Allowances for impairment of subscription receivables

The Union estimates the allowance for doubtful subscription receivables based on assessment of specific accounts where the Union has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgement used was based on the best available facts and circumstances including but not limited to, the length of relationship with its contracting parties, contracting parties' current credit status, average age of accounts, settlement experience and historical loss experience. At 31 December 2018, provisions for doubtful debts amounted to €Nil.

Notes to the accounts
For the financial period ended 31 December 2018

4. Analysis of gross subscription income

	2018 €
Gross subscription income	21,684,396
Branch levies collected and remitted to branches	(424,959)
Benefit fund contributions (per Rule)	(524,993)
Net subscription income	20,734,444
Developing world fund contributions	(621,894)
Contingency fund contributions	(1,036,490)
Gross general fund subscription income	19,076,060
Allocations to branches (per Rule)	(1,968,486)
Capitation grants to branches	(415,000)
Net subscription income accounted for in General fund	16,692,574

5. Net other finance income / (expense)

	2018 €
General fund	
Interest on pension scheme assets	963,000
Interest on pension scheme liabilities	(904,000)
	59,000

6. (Deficit) / surplus for period before tax

The (deficit)/surplus for the year is stated after charging the following:

	2018 €
General fund	
Depreciation of fixed assets	277,186
Affiliation fees	484,006
Audit fee	80,000
Staff travel and subsistance	649,171
Contingency fund	
Depreciation of fixed assets	507,117

Notes to the accounts
For the financial period ended 31 December 2018

7. Employees

The average number of persons employed by the Union during the year was as follows:

	2018
Industrial relations and administration staff	119

The cost to the Union in respect of persons employed was as follows:

	2018 €
Wages and salaries	6,789,115
Employer social welfare costs	651,859
Pension administration and consultancy fees	114,924
	7,555,898
Employer pension costs:	
- Defined benefit scheme service costs	819,913
	8,375,811

8. Tax

The Union is exempt from tax on results from transactions with members of the trade union but are liable to taxation on interest, dividend and rental income. Tax charge is based on the taxable surplus of income over expenditure during the period.

	2018 €
Income tax	
General fund	7,254
Contingency fund	194,556
Total tax charged to income and expenditure account	201,810

Notes to the accounts
For the financial period ended 31 December 2018

9. Tangible fixed assets

	Investment properties	Land & buildings	Office furniture, fittings and equipment	Motor vehicles	Construction in progress	Total
	€	€	€	€	€	€
Cost or valuation						
Transferred from legacy unions						
at revalued amount	-	20,465,000	-	-	-	20,465,000
at net book value	-	-	792,359	29,000	-	821,359
Additions	5,264,943	2,192,134	253,595	-	1,076,131	8,786,803
At 31 December 2018	5,264,943	22,657,134	1,045,954	29,000	1,076,131	30,073,162
Accumulated depreciation						
Depreciation charges	-	507,117	262,686	14,500	-	784,303
At 31 December 2018	-	507,117	262,686	14,500	-	784,303
Net book value						
At 31 December 2018	5,264,943	22,150,017	783,268	14,500	1,076,131	29,288,859

The legacy unions obtained an external independent valuation from Lisney Chartered Surveyors (" or surveyor"), of its land and buildings reported as at 14 December 2017 and revalued these properties effective the date of amalgamation. On 1 April 2019, the surveyor issued a letter of comfort that market value of these properties as at the balance sheet date approximates its last valuation made.

Notes to the accounts
For the financial period ended 31 December 2018

9. Tangible fixed assets (continued)

The tangible fixed assets are presented in the balance sheet as at 31 December 2018 as follows:

	31 Dec 2018 €
Investment properties	5,264,943
Tangible fixed assets	24,023,916
Total	29,288,859

10. Investments

	31 Dec 2018
Transferred from legacy unions	41,168,395
Additions	732,652
Reclassification from cash and cash equivalents	2,647,634
Disposals	(1,511,241)
Fair value adjustments – contingency fund	(2,999,597)
Fair value adjustments – general fund	8,525
At 31 December 2018	40,046,368
Long term investment	32,891,729
Short term investment	7,154,639
Total	40,046,368

The Union have applied Section 11 of FRS 102 and have accounted for their investment holdings at fair value with changes in fair value recognised in the statement of income and expenditure. An analysis of the investment portfolio by investment type is as follows:

	31 Dec 2018
Irish & UK equities (Contingency fund)	12,101,783
Government securities (Contingency fund)	16,041,680
Government securities(General fund)	3,030,846
Unit funds (Contingency fund)	6,224,425
Reclassification from cash and cash equivalents - maturing in more than 3 months (General fund)	2,647,634
Fair value at end of year	40,046,368

Notes to the accounts
For the financial period ended 31 December 2018

10. Investments (continued)

The fair value of the investments have been valued with the IFRS fair value hierarchy and in accordance with the Union's policy for similarly held assets. This include the use of appropriate valuation techniques.

11. Debtors and prepayments

	31 Dec 2018 €
Subscriptions receivable	1,862,302
Prepayments, sundry debtors and accrued income	2,373,198
	4,235,500

12. Cash and cash equivalents

	31 Dec 2018 €
General fund - current accounts	3,953,814
General fund - deposit accounts	8,852,281
General fund - cash on hand	1,488
General fund – restricted cash	77,000
	12,884,583
Developing world fund - deposit account	153,725
Contingency fund - current accounts	1,690,918
Contingency fund deposit accounts	2,806,075
	4,496,993
Benefit fund – current account	199,879
Benefit fund - deposit account	3,908,765
	4,108,644
	21,643,945

Restricted cash balances relate primarily to amounts held by the High Court of Republic of Ireland as deposit for registration as trade union.

Notes to the accounts
For the financial period ended 31 December 2018

13. Creditors: amounts falling due within one year

	31 Dec 2018 €
PAYE / PRSI	277,967
Capitation grants, branch allocations and branch levies payable	413,182
Tax refundable	(115,929)
Accrued expenses	1,381,100
	1,956,320

Accrued expenses relate to staff and administrative costs accrued at year end.

14. Provisions for liabilities and charges

	31 Dec 2018 €
Opening balance (transferred from legacy unions)	
Provision for legal assistance to members	459,900
Provision for liabilities and charges	373,000
At 2 January 2018	832,900
Release of provision for liabilities and charges during the year	(10,000)
Closing balance at 31 December 2018	**822,900**

See note 16 for details.

15. Pension

Forsa Trade Union operates defined benefit plans primarily administered through three different schemes which were continued from the legacy unions.

An actuarial valuation to determine the values of the plan asset/pension liabilities in accordance with FRS 102 was carried out at 31st December 2018 by qualified independent actuaries for each of the 3 scheme. Details from each of the schemes are set out below.

Notes to the accounts
For the financial period ended 31 December 2018

15. Pension (continued)

The amounts recognised in the balance sheet are as follows:

Pension asset net at 31 December 2018

Legacy unions	**Value of assets**	**Present value of scheme liabilities**	**Net assets**
	€'000	**€'000**	**€'000**
IMPACT	42,133	(40,851)	1,282
CPSU	5,931	(3,986)	1,945
PSEU	7,534	(5,898)	1,636
Total	**55,598**	**(50,735)**	**4,863**

Pension asset net at 31 December 2017

Legacy unions	**Value of assets**	**Present value of scheme liabilities**	**Net assets**
	€'000	**€'000**	**€'000**
IMPACT	42,942	(43,004)	(62)
CPSU	6,013	(5,916)	97
PSEU	7,360	(6,042)	1,318
Total	56,315	(54,962)	1,353

Movement during the year for each legacy union pension scheme is summarised below:

Gains/ (loss)

Legacy unions	**Value of assets**	**Present value of scheme liabilities**	**Net assets**
	€'000	**€'000**	**€'000**
IMPACT	(809)	2,153	1,344
CPSU	(82)	1,930	1,848
PSEU	172	146	318
Total	(719)	4,229	3,510

15. Pension (continued)

Movement in the year recognised in the 2018 General Fund Statement of Income and Expenditure is as follow:

Gains/(charge)

Legacy unions	**Profit & loss- Payroll €'000**	**Profit & loss- Interest €'000**	**Other comprehensive surplus €'000**	**Total €'000**
IMPACT	(37)	(3)	1,384	1,344
CPSU	2,419	33	(604)	1,848
PSEU	(30)	29	319	318
Total	2,352	59	1,099	3,510

15.1 IMPACT Pensions

IMPACT operated a contributory defined benefit scheme which was assumed by the Union.

The scheme is independently funded and the assets are vested in independent trustees for the benefit of members and their dependents. The contributions are based on the advice of an independent professionally qualified actuary obtained at three year periodly intervals.

The following have been extracted from the independent actuarial valuation of IMPACT scheme at 31 December 2018.

The amounts recognised in the balance sheet are as follows:

	31 Dec 2018 €'000
Fair value of scheme assets	42,133
Present value of funded obligations	(40,851)
Pension asset - net	1,282

Notes to the accounts
For the financial year ended 31 December 2018

15. Pension (continued)

15.1 IMPACT Pensions *(continued)*

The amount recognised in the General Fund Statement of Income and Expenditure is as follows:

	31 Dec 2018 €'000
Amounts charged (credited) to Administration, establishment and general expenses in the General Gund operating deficit	
Current service cost	1,802
Less employer contributions	(1,765)
Total charge	37
Amounts charged (credited) to net Finance expense / (income)	
Interest on scheme assets	(735)
Interest on scheme liabilities	738
Total charge	3
Amounts charged (credited) to other comprehensive income	
Actuarial gain	(3,658)
Actual return on assets less interest income	2,274
Total gain	(1,384)
Total loss / (gain) included in General Fund Comprehensive income	**(1,344)**

The reconciliation of scheme assets and liabilities is as follows:

	Assets €'000	**Liabilities** €'000	**Total** €'000
Opening - transfers from IMPACT	42,942	(43,004)	(62)
Current service cost	-	(1,802)	(1,802)
Interest income / (expense)	735	(738)	(3)
Employer contributions	1,765	-	1,765
Benefits paid	(1,035)	1,035	-
Remeasurement gains			
- Actuarial gain	-	3,658	3,658
- Return on plan assets excluding interest income	(2,274)	-	(2,274)
At 31 December 2018	42,133	(40,851)	1,282

Notes to the accounts
For the financial year ended 31 December 2018

15. Pension (continued)

15.1 IMPACT Pensions *(continued)*

The principal actuarial assumptions as at the balance sheet date were:

	31 Dec 2018 %
Discount rate	1.95
Rate of increase in salaries	
- To end of 2023	0.7
- 2024 plus	3.35
Rate of increase in pensions in payment	
- Members over 70	1.0
- Members under 70	1.5
- Active and deferred members over 60	1.5
- Active and deferred members under 60	1.6
Inflation	1.6

	31 Dec 2018
Mortality rate: pre-retirement:	None
Mortality rate: post-retirement:	See mortality table underlying Trident CPA rates

Life expectancy in respect of single life pensions for members attaining age 60 in 2019

- Male age 60 (life expectancy)	25.6 years
- Female age 60 (life expectancy)	28.4 years

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	31 Dec 2018 %
Equity	42.4
Fixed interest	28.8
Property	7.1
Cash	8.5
Other	13.2
	100.0

Notes to the accounts
For the financial year ended 31 December 2018

15. Pension (continued)

15.2 CPSU Pensions

CPSU operated a contributory defined benefit scheme which was assumed by the Union.

All permanent employees, subject to age and service, are eligible for membership. The scheme is funded by contributions from the Union and employees. Contributions paid are in accordance with the advice of a professionally qualified actuary.

The following have been extracted from the independent actuarial valuation for the CPSU scheme at 31 December 2018.

The amounts recognised in the balance sheet are as follows:

	31 Dec 2018 €'000
Fair value of plan assets	5,931
Present value of funded obligations	(3,986)
Pension asset - net	1,945

The amount recognised in the General Fund Statement of Income and Expenditure is as follows:

	31 Dec 2018 €'000
Amounts charged (credited) to Administration, establishment and general expenses in the General Gund operating deficit	
Current service cost	176
Other costs (gains)	(2,390)
Net	(2,214)
Less employer contributions	(205)
Total charge / (credit)	(2,419)

Notes to the accounts
For the financial year ended 31 December 2018

15. Pension (continued)

15.2 CPSU Pensions (continued)

	31 Dec 2018 €'000
Amounts charged (credited) to net Finance expense / (income)	
Interest on scheme assets	(115)
Interest on scheme liabilities	82
Total charge / (credit)	(33)
Amounts charged (credited) to other comprehensive income	
Actuarial (loss) / gain	203
Actual return on assets less interest income	401
Total loss	604
Total loss / (gain) included in General Fund Comprehensive income	**(1,848)**

The reconciliation of scheme assets and liabilities is as follows:

	Assets €'000	**Liabilities** €'000	**Total** €'000
Opening - transfers from CPSU	6,013	(5,916)	97
Current service cost	-	(176)	(176)
Interest income / (expense)	115	(82)	33
Benefit changes	-	2,381	2,381
Settlements	(11)	20	9
Employee contributions	32	(32)	-
Employer contributions	205	-	205
Admin expenses	(22)	22	-
Remeasurement gains			
- Actuarial gain	-	(203)	(203)
- Return on plan assets excluding interest income	(401)	-	(401)
At 31 December 2018	5,931	(3,986)	1,945

Notes to the accounts
For the financial year ended 31 December 2018

15. Pension (continued)

15.2 CPSU Pensions *(continued)*

The principal actuarial assumptions as at the balance sheet date were:

	31 Dec 2018
Discount rate	2.0
Increase to member's pensions in payment	0.0
Pensionable salary increases	2.0
Increase to statutory pensions in deferment	1.5

	31 Dec 2018
Mortality rate: pre-retirement:	None
Mortality rate: post-retirement:	See mortality table underlying Friends First CPA rates

Life expectancy in respect of single life pensions for members attaining age 60 in 2019

- Male age 60 (life expectancy)	27.7 years
- Female age 60 (life expectancy)	30.9 years

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	31 Dec 2018 %
Equity	74.0
Debt instruments	24.3
Other	1.7
	100.0

Notes to the accounts
For the financial year ended 31 December 2018

15. Pension (continued)

15.3 PSEU Pensions

PSEU operated a contributory defined benefit scheme which was assumed by the Union.

The following has been extracted from the independent actuarial valuation for the PSEU scheme at 31 December 2018.

The amounts recognised in the balance sheet are as follows:

	31 Dec 2018 €'000
Fair value of scheme assets	7,534
Present value of funded obligations	(5,898)
Pension asset - net	1,636

The amount recognised in the General Fund Statement of Income and Expenditure is as follows:

	31 Dec 2018 €'000
Amounts charged (credited) to Administration, establishment and general expenses in the General Gund operating deficit	
Current service cost	220
Less employer contributions	(190)
Total charge	30
Amounts charged (credited) to net Finance expense / (income)	
Interest on scheme assets	(113)
Interest on scheme liabilities	84
Total charge / (credit)	(29)

15. Pension (continued)

15.3 PSEU Pensions *(continued)*

	31 Dec 2018 €'000
Amounts charged (credited) to other comprehensive income	
Actuarial (gain)	(497)
Actual return on assets less interest income	178
Total (gain)	(319)
Total (gain) included in General Fund Comprehensive income	**(318)**

The reconciliation of scheme assets and liabilities is as follows:

	Assets €'000	Liabilities €'000	Total €'000
Opening - transfers from PSEU	7,361	(6,043)	1,318
Current service cost	-	(220)	(220)
Interest income / (expense)	113	(84)	29
Employee contributions	20	(20)	-
Employer contributions	190	-	190
Benefits paid	(57)	57	-
Remeasurement gains			
- Actuarial gain	-	497	497
- Return on plan assets excluding interest income	(93)	(85)	(178)
At 31 December 2018	7,534	(5,898)	1,636

Notes to the accounts
For the financial year ended 31 December 2018

15. Pension (continued)

15.3 PSEU Pensions *(continued)*

The principal actuarial assumptions as at the balance sheet date were:

	31 Dec 2018
	%
Discount rate	2.05
Future inflation	1.4
Future pensionable salary increases	2.9

	31 Dec 2018
Mortality rate: pre-retirement:	None
Mortality rate: post-retirement:	See mortality table underlying Irish Life rates

Life expectancy in respect of single life pensions for members attaining age 65 in 2019	
- Male age 65 (life expectancy)	30.2 years
- Female age 65 (life expectancy)	33.2 years

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	31 Dec 2018
	%
Equity	4.0
Bonds	94.0
Cash	1.0
Other	1.0
Total	100.0

16. Contingent liabilities

There are potential legal claims against the Union, and the Executive, having consulted the Union's legal advisers, has decided that a provision of €459,900 should be included in the 2018 accounts.

However, as is usual in such circumstances, the eventual outcome of these cases cannot be predicted with any certainty and whether these amounts will become payable or not.

The provision of €363,000 relates to the liability for future payments of unfunded pension commitments.

17. Financial instruments

	31 Dec 2018
Financial assets	€
Cash and cash equivalents	21,643,945
Financial assets measured at fair value through profit or loss	40,046,368
Financial assets that are measured at amortised cost	1,862,302
	63,552,615
Financial Liabilities	
Financial liabilities measured at amortised cost	1,683,745
	1,683,745

Financial assets measured at fair value through profit or loss comprise investments.

Financial assets measured at amortised cost comprise of trade debtors, accrued income and amounts owed by branches.

Financial liabilities measured at amortised cost comprise of capitation grants, branch refunds, branch levies, other payable and accruals.

Notes to the accounts
For the financial period ended 31 December 2018

18. Investment risk disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks. These are set out under FRS 102 as follows:

- **Currency risk**: the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk**: the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Credit risk**: the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- **Other price risk**: the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- **Market risk**: comprises currency risk, interest rate risk and other price risk.

Investment Strategy
The Trustees have determined an investment strategy after receiving advice from their investment consultants. Implementation of the investment strategy has been delegated to professional investment managers. The investment strategy and implementation arrangements of the Union are reviewed regularly by the Trustees.

Risk measurement
The Union is exposed to market risk which includes currency risk, interest rate risk, credit risk and other price risk arising from the financial instruments it holds. The Trustees will manage a range of investment risks in order to create a prudent, diversified and efficient portfolio. The Trustees recognise the importance of measuring the risk of the chosen investment policy by reference to the liabilities. Risk is measured by considering the following risk factors:

- The potential deterioration of the financial position of the Union; and
- The risk of not achieving a sufficient level of investment return to match the growth in liabilities.

Notes to the accounts
For the financial period ended 31 December 2018

19. Related party transactions

There were no related party transactions with the officers of the unions during the financial period. None of the officers are remunerated during the financial year.

20. Post balance sheet events

On 14th February 2019, the Union entered into a capital commitment amounting to €367,139 relating to the renovations of Nerney's Court premises.

On 27th March 2019, the National Executive Committee agreed that Holles Street and Merrion Square properties are to go on the market.

Under the 1975 Trade Union Act, the Union may apply to the Minister for Jobs, Enterprise and lnnovation for a grant towards certain costs incurred by the union as a result of the amalgamation. The submission, which will be required to be certified by the Union auditors, has been prepared and will be submitted to the Department in due course.

21. Report of the National Executive of Fórsa

The Report of the National Executive of Fórsa Trade Unon will be presented to the Fórsa Biennial Union Conference in May 2020 for adoption.

The Report of the Treasurer, covering the period ended 31st December 2018 will be presented to the Fórsa Biennial Union Conference in 2020, and will review the financial positon of the Union as set out in the financial statement referred to above.

22. Approval of accounts

The accounts were approved by the National Executive on _________ and signed on its behalf by the President and Treasurer.