



18 July 2022

Gordon Thomson  
General Secretary  
Union of Christmas Island Workers

Sent via email: [gordonthomsonci@gmail.com](mailto:gordonthomsonci@gmail.com)  
CC: [NigelD@armada.com.au](mailto:NigelD@armada.com.au)

Dear Gordon Thomson,

**Union of Christmas Island Workers  
Financial Report for the year ended 31 December 2021 – (FR2021/318)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Union of Christmas Island Workers. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 13 July 2022.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

**Non-compliance with previous requests**

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely:

Disclosure of employee provisions to office holders and other employees

The RGs require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 16(c) and 16(d)). Item 16(c) and 16(d) of the RGs also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 8A to the financial statements has disclosed annual leave and long service leave separately for office holders and employees but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The RGs require that all employee and office holder provisions be detailed separately (refer to items 16(c) and 16(d)).

#### RG activities – not disclosed

Item 21 of the RGs states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the general purpose financial report or in an officer's declaration statement.

The notes contained nil activity information for all prescribed RG categories except the following:

- Item 12 - 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
- Item 20 - make a payment to a former related party of the reporting unit

#### Auditor's report: emphasis of matter regarding going concern

I note that the auditor's report emphasises that the organisation made a loss of \$26,080 and a material uncertainty exists that may cast significant doubt on the reporting unit's ability to continue as a going concern

I remind the officers of the reporting unit of their duties under sections 285 and 287 of the RO Act in relation to the financial management of the reporting unit. These sections require officers to exercise their powers and discharge their duties with care and diligence, in the best interest of the organisation and not to cause detriment to the organisation (these are civil penalty provisions). It is incumbent on the officers of the reporting unit to take appropriate steps to address the net operating loss and ensure its ongoing solvency.

#### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0988 or by email at [Madeleine.Hurrell@roc.gov.au](mailto:Madeleine.Hurrell@roc.gov.au).

Yours sincerely,

*Madeleine Hurrell*

**Madeleine Hurrell**  
**Financial Reporting Officer**  
**Registered Organisations Commission**

**Union of Christmas Island Workers**

s.268 *Fair Work (Registered Organisations) Act 2009*

**Certificate by prescribed designated officer**

Certificate for the year ended 31 December 2021

I, Gordon Thomson being the General Secretary of the *Union of Christmas Island Workers* certify:

- that the documents lodged herewith are copies of the full report for the *Union of Christmas Island Workers* for the year ended 31 December 2021 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*;
- that the full report was provided to members of the Union of Christmas Island Workers on 1 June 2022; and
- that the full report was presented to the Annual General Meeting of members of the Union of Christmas Island Workers on 29 June 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:

Name of prescribed designated officer: Gordon Thomson

Title of prescribed designated officer: General Secretary

Dated: 30 June 2022

**Union of Christmas Island Workers**  
Financial Statements 2020–21

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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT TO MEMBERS OF UNION OF CHRISTMAS ISLAND WORKERS

### Opinion

We have audited the attached general purpose financial report of Union of Christmas Island Workers ('the Reporting Unit') which includes the statement of the statement of financial position as at 31 December 2021, statement of comprehensive income, statement of changes in equity and the statement of cash flows, the categories of expenditure report as required by *subsection 255(2A) of the Fair Work (Registered Organisations) Act 2009*, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the members of the board.

In our opinion, the accompanying financial report of the Union of Christmas Island Workers is in accordance with Part 3 of Charter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*, including:

- a) Giving a true and fair view of the Reporting Unit's financial position as at 31 December 2021 and of its financial performance and cash flows for the year then ended; and
- b) Complying with Australian Accounting Standards and Part 3 of Charter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*.

### 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 auditor independence 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.

### Material Uncertainty Regarding Going Concern

We draw attention to Note 1.16 in the financial report, which indicates that the Union of Christmas Island Workers (UCIW) incurred a net loss of \$26,080 during the year ended 31 December 2021 (2020: net profit of \$20,349) and, as of that date, the UCIW's total current liabilities exceeded its current assets by \$56,778. These events or conditions, along with other matters as set forth in Note 1.16, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. Our opinion is not qualified in respect of this matter.

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

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. 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 my 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.

### Responsibilities of Management and the Directors for the Financial Report

The committee of management of the Union of Christmas Island Workers is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management 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 committee of management is responsible for assessing the Union of Christmas Island Workers' 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 committee of management either intend to liquidate the Union of Christmas Island Workers or to cease operations, or have no realistic alternative but to do so. Management of the Reporting Unit are also responsible for overseeing the financial reporting process.

### 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. As part of an audit in accordance with the Australian Auditing Standards, 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 our 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.



**ARMADA**  
AUDITING

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*strength in numbers*

- 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 of Christmas Island Workers' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee 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 of Christmas Island Workers' 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 Union of Christmas Island Workers 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 Union of Christmas Island Workers to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union of Christmas Island Workers audit. We remain solely responsible for our audit opinion.

We communicate with the committee of management 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 registered under the RO Act (AA2020/11) and that we hold a certificate of public practice.

*Armada Audit  
& Assurance*

**Armada Audit & Assurance Pty Ltd**

**Nigel Dias**  
**Registered Company Auditor 499186**  
**Director**  
**Perth, Dated 1 June 2022**

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Union Of Christmas Island Workers  
P.O. Box 84, CHRISTMAS ISLAND, INDIAN OCEAN, 6798

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## Union of Christmas Island Workers

### CATEGORIES OF EXPENDITURE FORMING PART OF THE GENERAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDING 31 DECEMBER 2021

The Union of Christmas Island Workers Executive Committee presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2021.

Categories of expenditure	2021 \$	2020 \$
Remuneration and other employment related expenses - employees	154,727 (74.41%)	159,028 (82.87%)
Advertising	nil	nil
Operating costs	53,217 (25.59%)	32,868 (17.13%)
Donations to political parties	nil	nil
Legal costs	nil	nil

Gordon Thomson  
General Secretary  
31 May 2022



Union Of Christmas Island Workers  
P.O. Box 84, CHRISTMAS ISLAND, INDIAN OCEAN, 6798

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## Operating Report for the year ended 31 December 2021

The Union of Christmas Island Workers Executive Committee (the Committee of Management) presents its operating report on the Reporting Unit for the year ended 31 December 2021.

### Principal Activities

s.254(2)(a)

The principal activities of the Union during the reporting period were to provide Industrial and organising services to the members consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members.

The Union's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members covered by enterprise agreements negotiated by the Union.

### Significant Changes in Financial Affairs

s.254(2)(b)

No significant changes in the Union's state of affairs occurred during the financial year.

### Manner of Resignation

s.254(2)(c)

Members may resign from the Union in accordance with rule 13, which reads as follows:

- (a) A member of the Union may resign from membership of the Union by written notice addressed and delivered to the General Secretary.
- (b) A notice of resignation from membership of the Union takes effect:
  - (i) where the member ceases to be eligible to become a member of the Union:
    - (A) on the day on which the notice is received by the Union; or
    - (B) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
 whichever is later; or
  - (ii) in any other case:
    - (A) at the end of 2 weeks after the notice is received by the Union; or
    - (B) on the day specified in the notice;
 whichever is later.
- (c) Any dues payable but not paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.

- (d) A notice delivered to the General Secretary shall be taken to have been received by the Union when it was delivered.
- (e) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with sub-rule (a) herein.
- (f) A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

**Trustee of Director of Trustee Company of Superannuation Entity or Exempt Public Sector Superannuation Scheme**

s.254(2)(d)

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**

s.254(2)(f) regulation 159(a) The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Union was 218, of which 167 were financial on 31 December 2021.

The number of un-financial members as at 31/12/2021 was 51.

**Number of Employees**

s.254(2)(f) regulation 159(b)

The number of persons who were, at the end of the reporting period, employees of the Union was 2.

**Members of Committee of Management**

s.254(2)(f) regulation 159(c)

The persons who held office as members of the Union of Christmas Island Workers Executive Committee (the Committee of Management) during the reporting period are:

FOO, Kee Heng (President)	01/01/2021 - 31/12/2021
LEE, Kelvin Kok Bin (Vice President)	01/01/2021 - 31/12/2021
KOH, Nora (Vice President)	01/01/2021 - 31/12/2021
THOMSON, Gordon (General Secretary)	01/01/2021 - 31/12/2021
LOW, Jeffrey (Trustee)	01/01/2021 - 31/12/2021
DE CRUZ, Ronald Edward (Trustee)	01/01/2021 - 31/12/2021
NG, Hooi Hock (Committee Member)	01/01/2021 - 31/12/2021
SAW, Cheng Siew (Committee Member)	01/01/2021 - 31/12/2021
SU, Zhong Xiong (Committee Member)	01/01/2021 - 31/12/2021
MASLI, Hafiz (Committee Member)	01/01/2021 - 31/12/2021
YON, Azmi (Committee Member)	01/01/2021 - 31/12/2021
SHARIF, Zuraine Md (Committee Member)	01/01/2021 - 31/12/2021



Gordon Thomson  
General Secretary  
DATED: 31 May 2022



Union Of Christmas Island Workers  
P.O. Box 84, CHRISTMAS ISLAND, INDIAN OCEAN, 6798

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## Committee of Management Statement for the year ended 31 December 2021

On 31 May 2022 the Executive Committee of the Union of Christmas Island Workers passed the following resolution in relation to the General Purpose Financial Report (GPFR) for the financial year ended on 31 December 2021.

The Executive Committee of the Union of Christmas Island Workers declares 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 reporting unit for the financial year to which they relate;
- (d) As disclosed in Note 1.16, there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Executive Committee of the Union of Christmas Island Workers (the Committee of Management).

Gordon Thomson  
General Secretary  
31 May 2022

**Union of Christmas Island Workers**

# Statement of comprehensive income

for the year ended 31 December 2021

	Notes	2021 \$	2020 \$
<b>Revenue</b>			
Membership subscription*		148,541	141,440
Capitation fees and other revenue from reporting unit*	3A	-	-
Levies*	3B	-	-
Investment income	3C	-	28
Rental revenue	3D	15,500	18,000
<b>Total revenue</b>		<b>164,041</b>	159,468
<b>Other Income</b>			
Grants and/or donations*	3E	16,500	14,150
Revenue from recovery of wages activity*	3F	-	-
Other income (including ATO Cash Flow Boost)		1,323	38,627
<b>Total other income</b>		<b>17,823</b>	52,777
<b>Total income</b>		<b>181,864</b>	212,245
<b>Expenses</b>			
Employee expenses	4A	154,727	159,028
Capitation fees and other expense to another reporting unit*	4B	-	-
Affiliation fees	4C	2,360	4,890
Administration expenses	4D	16,917	8,295
Grants or donations*	4E	-	-
Depreciation and amortisation	4F	2,577	2,774
Legal fees*	4G	-	-
Audit fees	12	11,870	4,300
Other expenses*	4H	19,493	12,609
<b>Total expenses</b>		<b>207,944</b>	191,896
<b>Surplus (deficit) for the year</b>		<b>(26,080)</b>	20,349
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>(26,080)</b>	20,349

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

\*As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

**Union of Christmas Island Workers****Statement of financial position**

as at 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
		\$	\$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	5A	29,522	24,357
Trade and other receivables*	5B	4,342	6,924
<b>Total current assets</b>		<b>33,864</b>	31,281
Non-current Assets			
Land and buildings	6A	72,432	73,559
Plant and equipment	6B	11,892	13,342
<b>Total non-current assets</b>		<b>84,324</b>	86,901
<b>Total assets</b>		<b>118,188</b>	118,182
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables*	7A	-	950
Other payables*	7B	32,494	9,297
Employee provisions	8A	58,148	54,309
<b>Total current liabilities</b>		<b>90,642</b>	64,556
<b>Total non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>90,642</b>	64,556
Net assets		<b>27,546</b>	53,626
<b>EQUITY</b>			
Retained earnings (accumulated deficit)		27,546	53,626
<b>Total equity</b>		<b>27,546</b>	53,626

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

\*As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

**Union of Christmas Island Workers****Statement of changes in equity***for the year ended 31 December 2021*

	<b>Note</b>	<b>General funds /reserves \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
<b>Opening balance as at 1 January 2020</b>		-	33,277	33,277
Surplus / (deficit)		-	20,349	20,349
Other comprehensive income		-	-	-
<b>Closing balance as at 31 December 2020</b>		<b>-</b>	<b>53,626</b>	<b>53,626</b>
<b>Opening balance as at 1 January 2021</b>		-	53,626	53,626
Surplus / (deficit)		-	(26,080)	(26,080)
Other comprehensive income		-	-	-
<b>Closing balance as at 31 December 2021</b>		<b>-</b>	<b>27,546</b>	<b>27,546</b>

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

**Union of Christmas Island Workers****Statement of cash flows***for the year ended 31 December 2021*

	<b>Notes</b>	<b>2021</b>	
		<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from Union of Christmas Island Workers	10B	<b>148,541</b>	141,440
Interest		-	28
ATO Cashflow Boost		-	34,424
Other		<b>35,904</b>	33,903
<b>Cash used</b>			
Employees		<b>(150,888)</b>	(166,791)
Suppliers		<b>(28,392)</b>	(57,404)
Payments to Union of Christmas Island Workers	10B	-	-
<b>Net cash from (used by) operating activities</b>	10A	<b>5,165</b>	<b>(14,400)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Net cash from (used by) investing activities</b>		<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>			
<b>Net cash from (used by) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>		<b>5,165</b>	<b>(14,400)</b>
Cash & cash equivalents at the beginning of the reporting period		<b>24,357</b>	38,757
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>29,522</b>	24,357

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



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## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the *Union of Christmas Island Workers* is a not-for-profit entity.

The financial statements have been prepared on an accrual basis 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.

### **1.2 Comparative amounts**

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

### **1.3 Significant accounting judgements and estimates**

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.

There is no *significant accounting judgements and estimates*.

### **1.4 New Australian Accounting Standards**

#### **AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 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. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. The standard is not expected to have a material impact on the financial report of the entity.

## Note 1 Summary of significant accounting policies (cont'd)

### 1.5 Revenue

#### **AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers**

Revenue is measured with respect to the ability to meet the sufficiently specific criteria under the accounting standard *AASB 15 Revenue from Contracts with Customers* if revenue or grant funding is a result of a contract with customer with enforceable rights, and obligations that are sufficiently specific, revenue would be recognised in accordance with AASB 15 rather than *AASB 1058 Income for Not-For-Profit Entities*.

An asset received by a not-for-profit (NFP) entity is initially recognised at its fair value where the consideration paid for the asset is significantly less than fair value, and that difference is principal to enable the entity to further its objectives. Such assets include physical, intangible and financial assets - whether acquired, donated or granted.

The general principle in AASB 1058 is that the Reporting Unit recognises, as income immediately, the difference between the fair value of the asset received and any amount separately recognised as either:

- an equity contribution;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability arising in a lease contract under AASB 16 Leases.
- a financial instrument, in accordance with AASB 9 Financial Instruments; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

#### **Revenue recognition**

The reporting unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements. To determine whether and when to recognise revenue, the reporting unit follows a 5-step process in accordance with *AASB 15 Revenue from Contracts with Customers*:

- (1) Identifying the contract with a customer;
- (2) Identifying the performance obligations;
- (3) Determining the transaction price;
- (4) Allocating the transaction price to the performance obligations; and
- (5) Recognising revenue when/as the performance obligation(s) are 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 reporting unit.

## **Note 1 Summary of significant accounting policies (cont'd)**

### **1.5 Revenue (cont'd)**

For the reporting unit there is only one distinct membership service promised in the arrangement, therefore the reporting unit recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the reporting unit's promise to stand ready to provide assistance and support to the member as required. Any payments received in advance are accounted for as deferred revenue at the end of the reporting period.

**Donation Income:** Donations that are not enforceable and/or do not contain sufficiently specific performance obligations are recognised on receipt.

**Rental Income:** Leases in which the reporting unit 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. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### **1.6 Gains**

#### ***Sale of assets***

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

### **1.7 Capitation fees and levies**

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

### **1.8 Employee benefits**

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.

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 long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Union of Christmas Island Workers in respect of services provided by employees up to reporting date. Payments to defined contribution retirement benefit

## Note 1 Summary of significant accounting policies (cont'd)

### 1.8 Employee benefits (cont'd)

plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The *Union of Christmas Island Workers* recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

### 1.9 Leases

The Reporting Unit, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the Reporting Unit will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

#### **Initial Measurement and Subsequent Measurement:**

##### **(i) Measurement of Lease Liability:**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Reporting Unit's incremental borrowing rate. Generally, the Reporting Unit uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

##### **(ii) Measurement of Right-of-Use Asset:**

The Right of Use Asset is initially measured at cost comprising the initial measurement of the lease liability. Subsequent to initial recognition the right of use asset is amortised over the shorter of the assets useful life and the lease term on a straight line basis.

#### **Recognition exemption - Short-term leases and leases of low-value assets**

The Reporting Unit has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for low-value

## Note 1 Summary of significant accounting policies (cont'd)

### 1.9 Leases (cont'd)

assets. The Reporting Unit will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 1.10 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.

### 1.11 Financial instruments

#### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the reporting unit becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the reporting unit commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to the Statement of Comprehensive Income immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15 paragraph 63.

#### *Classification and Subsequent Measurement*

#### Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or

## Note 1 Summary of significant accounting policies (cont'd)

### 1.11 Financial instruments (cont'd)

- initially designated as at fair value through profit or loss.

The reporting unit does not measure any financial liabilities at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the Statement of Comprehensive Income over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition. A financial liability cannot be reclassified.

#### Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income (debt instruments);
- fair value through other comprehensive income (equity – no recycling); or
- fair value through profit or loss,

based on the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The reporting unit only has financial assets that are measured at amortised cost including trade and other receivables and cash at bank (including term deposits).

#### De-recognition

##### Financial Liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Comprehensive Income.

## **Note 1 Summary of significant accounting policies (cont'd)**

### **1.11 Financial instruments (cont'd)**

#### Financial Assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for de-recognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- The reporting unit no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

#### Impairment

The reporting unit recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument. The reporting unit uses the simplified approach to impairment for trade debtors, as applicable under AASB 9.

### **1.12 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.

### **1.13 Land, buildings, plant and equipment**

#### Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment that has been contributed at no cost or for nominal cost is valued at the fair value of the asset at the date it is acquired. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included net in Other Revenue in the Statement of Comprehensive Income. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits



## Note 1 Summary of significant accounting policies (cont'd)

### 1.13 Land, buildings, plant and equipment (cont'd)

embodied within the part will flow to the Reporting Unit and its cost can be measured reliably. The costs of day to day servicing and maintenance of property, plant and equipment is recognised in the Statement of Comprehensive Income as incurred.

#### **Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2021	2020
Land & buildings		25 years
Plant and equipment		2 to 20 years

#### **De-recognition**

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

### 1.14 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 its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal 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 of Christmas Island Workers* were deprived of the asset, its value in use is taken to be its replacement cost.

### 1.15 Taxation

The *Union of Christmas Island Workers* 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 Goods and Services Tax (GST).

## **Note 1 Summary of significant accounting policies (cont'd)**

### **1.15 Taxation (cont'd)**

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 taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows 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.

### **1.16 Going concern**

The financial report discloses the going concern basis of preparation. The Union of Christmas Island Workers (UCIW) incurred a net loss of \$26,080 during the year ended 31 December 2021 (2020: net profit of \$20,349) and, as of that date, the UCIW's total current liabilities exceeded its current assets by \$56,778. Management and the Executive Committee have agreed to implement the following options to preserve cash flows and cash reserves:

- a. Temporary suspension of payment of wages for the General Secretary including annual leave and long service leave payments until cash flow conditions improve;
- b. Part time employment of the General Secretary; and
- c. Reduction of other discretionary costs to be identified in the Executive Committee's operational review; and/or
- d. The General Secretary position would become an honorary position for the time required to build revenue to support the reinstatement of the General Secretary's position as a full time paid position.

However, in the event that there is a further decline in membership numbers, and/or there is a delay in payment of membership fees and the UCIW is unable to reduce its operating costs, leave liabilities and/or obtain source additional sources of funding, there would be a material uncertainty that may cast significant doubt whether the UCIW can continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

## **Note 2 Events after the reporting period**

There were no events that occurred after 31 December 2021, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of *Union of Christmas Island Workers*.

	2021 \$	2020 \$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees and other revenue from another reporting unit</b>		
Capitation fees	-	-
<b>Subtotal capitation fees</b>	<u>-</u>	<u>-</u>
Other revenue from another reporting unit	-	-
<b>Subtotal other revenue from another reporting unit</b>	<u>-</u>	<u>-</u>
<b>Total capitation fees and another revenue from another reporting unit</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies*</b>		
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Investment income</b>		
Interest	-	28
<b>Total investment income</b>	<u>-</u>	<u>28</u>
<b>Note 3D: Rental revenue</b>		
Properties	15,500	18,000
<b>Total rental revenue</b>	<u>15,500</u>	<u>18,000</u>
<b>Note 3E: Grants and/or donations*</b>		
Grants	-	-
Donations	16,500	14,150
<b>Total grants and/or donations</b>	<u>16,500</u>	<u>14,150</u>
<b>Note 3F: Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<u>-</u>	<u>-</u>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

	2021	2020
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses*</b>		
<b>Holders of office:</b>		
Wages and salaries	119,814	124,420
Superannuation	19,354	19,907
Leave and other entitlements	3,838	(1,074)
Separation and redundancies	-	-
Other employee expenses	10,321	-
<b>Subtotal employee expenses holders of office</b>	<b>153,327</b>	<b>143,253</b>
<b>Employees other than office holders:</b>		
Wages and salaries	986	14,038
Superannuation	158	1,737
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	256	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>1,400</b>	<b>15,775</b>
<b>Total employee expenses</b>	<b>154,727</b>	<b>159,028</b>
<b>Note 4B: Capitation fees and other expense to another reporting unit*</b>		
Capitation fees	-	-
<b>Subtotal capitation fees</b>	<b>-</b>	<b>-</b>
Other expense to another reporting unit	-	-
<b>Subtotal other expense to another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Total capitation fees and other expense to another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Note 4C: Affiliation fees*</b>		
Unions WA	1,124	2,468
A.C.T.U	1,236	2,422
FairWork Commission	-	-
Society Study Labour	-	-
<b>Total affiliation fees/subscriptions</b>	<b>2,360</b>	<b>4,890</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

	2021	2020
	\$	\$
<b>Note 4D: Administration expenses</b>		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
Property expenses	8,766	3,651
Office expenses	6,522	2,486
Information communications technology	1,629	2,158
<b>Total administration expenses</b>	<b>16,917</b>	<b>8,295</b>

**Note 4E: Grants or donations\***

## Grants:

Total expensed that were \$1,000 or less

-

-

Total expensed that exceeded \$1,000

-

-

## Donations:

Total expensed that were \$1,000 or less

-

-

Total expensed that exceeded \$1,000

-

-

**Total grants or donations**

-

-

**Note 4F: Depreciation and amortisation**

## Depreciation

Land and buildings

1,127

1,127

Plant and equipment

1,450

1,647

**Total depreciation**

2,577

2,774

**Total depreciation and amortisation**

2,577

2,774

**Note 4G: Legal costs\***

## Litigation

-

-

**Total legal costs**

-

-

**Note 4H: Other expenses**Penalties - via RO Act or the *Fair Work Act 2009*\*

-

-

Union day expenses

11,923

401

Other expenses

7,570

12,208

**Total other expenses**

19,493

12,609

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

	2021	2020
	\$	\$

## Note 5 Current Assets

### Note 5A: Cash and cash equivalents

Cash at bank	29,522	24,357
Short term deposits	-	-
<b>Total cash and cash equivalents</b>	<b>29,522</b>	<b>24,357</b>

### Note 5B: Trade and other receivables

#### Receivables from other reporting units\*

Union of Christmas Island Workers	-	-
<b>Total receivables from other reporting units</b>	<b>-</b>	<b>-</b>

#### Less allowance for expected credit losses\*

<b>Total allowance for expected credit losses</b>	<b>-</b>	<b>-</b>
<b>Receivable from other reporting units (net)</b>	<b>-</b>	<b>-</b>

#### Other receivables

Prepayments**	4,342	6,924
<b>Total other receivables</b>	<b>4,342</b>	<b>6,924</b>
<b>Total trade and other receivables (net)</b>	<b>4,342</b>	<b>6,924</b>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 January 2021	-	-
Provision for expected credit losses	-	-
Write-off	-	-
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

\*\* Prepayments are not financial instruments in accordance with AASB 7 and AASB 9.

2021	2020
\$	\$

## Note 6 Non-current Assets

### Note 6A: Land and buildings

Land and buildings:

at cost	78,615	78,615
accumulated depreciation	(6,183)	(5,056)
<b>Total land and buildings</b>	<b>72,432</b>	<b>73,559</b>

### *Reconciliation of opening and closing balances of land and buildings*

<b>As at 1 January</b>		
Gross book value	78,615	78,615
Accumulated depreciation and impairment	(5,056)	(3,929)
<b>Net book value 1 January</b>	<b>73,559</b>	<b>74,686</b>
Additions	-	-
Impairments	-	-
Depreciation expense	(1,127)	(1,127)
Disposals	-	-
<b>Net book value 31 December</b>	<b>72,432</b>	<b>73,559</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	78,615	78,615
Accumulated depreciation and impairment	(6,183)	(5,056)
<b>Net book value 31 December</b>	<b>72,432</b>	<b>73,559</b>

### Note 6B: Plant and equipment

Plant and equipment:

at cost	43,299	43,299
accumulated depreciation	(31,407)	(29,957)
<b>Total plant and equipment</b>	<b>11,892</b>	<b>13,342</b>

### *Reconciliation of opening and closing balances of plant and equipment*

<b>As at 1 January</b>		
Gross book value	43,299	43,299
Accumulated depreciation and impairment	(29,957)	(28,310)
<b>Net book value 1 January</b>	<b>13,342</b>	<b>14,989</b>
Additions	-	-
Impairments	-	-
Depreciation expense	(1,450)	(1,647)
Disposals	-	-
<b>Net book value 31 December</b>	<b>11,892</b>	<b>13,342</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	43,299	43,299
Accumulated depreciation and impairment	(31,407)	(29,957)
<b>Net book value 31 December</b>	<b>11,892</b>	<b>13,342</b>

2021	2020
\$	\$

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	-	950
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<u>-</u>	<u>950</u>
<b>Payables to other reporting units</b>		
<b>Subtotal payables to other reporting units</b>	<u>-</u>	<u>-</u>
<b>Total trade payables</b>	<u>-</u>	<u>950</u>

### Note 7B: Other payables

PAYG Payable	<b>26,702</b>	2,278
Superannuation	<b>3,262</b>	3,169
Payable to employers for making payroll deductions of membership subscriptions*	-	-
Legal costs*		
Litigation	-	-
Other legal costs	-	-
**Unearned revenue (Contract Liability)	<b>2,275</b>	3,850
Payroll liabilities	<b>255</b>	-
<b>Total other payables</b>	<u><b>32,494</b></u>	<u>9,297</u>

Total other payables are expected to be settled in:

No more than 12 months	<b>32,494</b>	9,297
More than 12 months	-	-
<b>Total other payables</b>	<u><b>32,494</b></u>	<u>9,297</u>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

\*\*Unearned Revenue relates to membership funds received for future service periods, hence recorded as a liability in accordance with AASB 15 *Revenue from Contracts with Customers*.



	2021	2020
	\$	\$

## Note 8 Provisions

### Note 8A: Employee provisions\*

#### Office holders:

Annual leave	36,012	33,195
Long service leave	22,136	21,114

<b>Subtotal employee provisions—office holders</b>	<b>58,148</b>	54,309
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#### Employees other than office holders:

Annual leave	-	-
Long service leave	-	-

<b>Subtotal employee provisions—employees other than office holders</b>	<b>-</b>	-
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<b>Total employee provisions</b>	<b>58,148</b>	54,309
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Current	58,148	54,309
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Non-current	-	-
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<b>Total employee provisions</b>	<b>58,148</b>	54,309
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## Note 9 Equity

### Note 9A: Other specific disclosures - funds\*

#### Compulsory levy/voluntary contribution fund – if invested in assets

-	-
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#### Other fund(s) required by rules

<b>Balance as at start of year</b>	-	-
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Transferred to reserve	-	-
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Transferred out of reserve	-	-
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<b>Balance as at end of year</b>	<b>-</b>	-
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\* As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

	2021	2020
	\$	\$

## Note 10 Cash Flow

### Note 10A: Cash flow reconciliation

#### Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

##### Cash and cash equivalents as per:

Cash flow statement	29,522	24,357
Balance sheet	29,522	24,357
<b>Difference</b>	<u>-</u>	<u>-</u>

#### Reconciliation of profit/(deficit) to net cash from operating activities:

	2021	2020
	\$	\$
Profit/(deficit) for the year	(26,080)	20,349
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	2,577	2,774
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	-	-
(Increase)/decrease in prepayments	2,582	(6,924)
Increase/(decrease) in supplier payables	(950)	950
Increase/(decrease) in other payables	23,197	(30,474)
Increase/(decrease) in employee provisions	3,839	(1,075)
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<u>5,165</u>	<u>(14,400)</u>

### Note 10B: Cash flow information\*

Cash inflows		
Union of Christmas Island Workers	148,541	141,440
<b>Total cash inflows</b>	<u>148,541</u>	<u>141,440</u>
Cash outflows		
Union of Christmas Island Workers	-	-
<b>Total cash outflows</b>	<u>-</u>	<u>-</u>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the Union of Christmas Island Workers opts to disclose it in the officer declaration statement.

## Note 11 Related Party Disclosures

### Note 11A: Related party transactions for the reporting period

Mr Gordon Thomson was elected as General Secretary from 31 December 2012 to current.

The following table below (Key Management Personnel Remuneration) provides the total amount of transactions that have been entered into with related parties for the relevant year.

There were no other transactions with related parties during the reporting period.

### Note 11B: Key management personnel remuneration for the reporting period

	2021	2020
	\$	\$
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	122,630	124,420
<b>Total short-term employee benefits</b>	<b>122,630</b>	<b>124,420</b>
<b>Post-employment benefits:</b>		
Superannuation	19,354	19,907
<b>Total post-employment benefits</b>	<b>19,354</b>	<b>19,907</b>
<b>Other short-term benefits:</b>		
Other employee benefits (Travel Allowances)	10,321	-
<b>Total other short -term benefits</b>	<b>10,321</b>	<b>-</b>
<b>Other long-term benefits:</b>		
Long-service leave	1,022	1,299
<b>Total other long-term benefits</b>	<b>1,022</b>	<b>1,299</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>153,327</b>	<b>145,626</b>

Mr Gordon Thomson had \$36,012 of annual leave and \$22,136 of long service leaving owing to him at 31 December 2021.

### Note 12 Remuneration of Auditors

	2021	2020
	\$	\$
<b>Value of the services provided</b>		
Financial statement audit services	11,870	4,300
Other services	-	-
<b>Total remuneration of auditors</b>	<b>11,870</b>	<b>4,300</b>

Other services provided by the auditors of the financial statements included the review of the Annual Statement and preparation of the appropriate Directors' Solvency Resolution.

### **Note 13 Financial Instruments**

The Committee of Management of Union of Christmas Island Workers is responsible for monitoring financial risk exposures of the Union. The Committee of Management monitors transactions and review the effectiveness of internal controls relating to credit risk, liquidity risk and market risk. The Committee of Managements overall risk management strategy seeks to ensure that the Union meets its financial targets, while minimising potential adverse effects of cash flow shortfalls. The Union of Christmas Island workers financial instruments consists of term deposits, trade debtors, and accounts payable.

### **Note 13A: Categories of Financial Instruments**

	2021	2020
	\$	\$
<b><i>Financial assets</i></b>		
At amortised cost:		
Cash at bank	29,522	24,357
Trade and other receivables	-	-
<b>Total</b>	<b>29,522</b>	<b>24,357</b>
<b><i>Carrying amount of financial assets</i></b>	<b>29,522</b>	<b>24,357</b>
<b><i>Financial liabilities</i></b>		
Other financial liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b><i>Carrying amount of financial liabilities</i></b>	<b>-</b>	<b>-</b>

**Note 13B: Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to financial loss to the Union. The Union does not have any financial assets that would be exposed to this risk. The union ensures that surplus funds are invested in major financial institutions that maintain a high credit rating.

The following table illustrates the Reporting Unit's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2020	2020
	\$	\$
<b>Financial assets</b>		
Trade Debtors	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Note 13C: Liquidity risk**

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages risk by preparing cash flow analysis in relation to its operational activities and only investing surplus cash with major financial institutions. The financial liabilities recorded will be settled within 1 year.

**Note 14 Fair Value Measurement**

The Union of Christmas Island Workers' financial instruments being (trade debtors, trade payables and cash at bank) are recorded at amortised cost. The Committee has assessed that the fair value of financial instruments is equal to their carrying amounts largely due to the short term nature of these financial instruments.

**Note 15 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) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 1) A member of a Union of Christmas Island Workers, or the Commissioner, may apply to the Union of Christmas Island Workers for specified prescribed information in relation to the Union of Christmas Island Workers 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 Union of Christmas Island Workers.
- 3) Union of Christmas Island Workers must comply with an application made under subsection (1).