



15 June 2023

Gordon Thomson
General Secretary
Union of Christmas Island Workers
Sent via email: gordonthomsonci@gmail.com
cc: NigelD@armada.com.au

Dear Gordon Thomson

**Union of Christmas Island Workers
Financial Report for the year ended 31 December 2022 – FR2022/273**

I acknowledge receipt of the financial report for the year ended 31 December 2022 for the Union of Christmas Island Workers. The documents were lodged with the Fair Work Commission (the Commission) on 7 June 2023. The financial report has now been filed. 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:

RG activities - not disclosed

Item 21 of the reporting guidelines (RG) states that if any activity described within items 10-20 of the RG has not occurred in the reporting period, a statement to this effect must be included the general purpose financial report (GPFR) or in an officer's declaration statement. The GPFR contained nil activity information for all prescribed RG categories except the following:

- Item 10 – agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount);
- Item 11 – agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount);
- 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 14(j)(ii) – pay legal costs relating to other legal matters;
- Item 16 (c)(iii) – have a provision in respect of separation and redundancy for holders of offices;
- Item 16 (c)(iv)- have a provision in respect of other employee provisions for holders of offices;
- Item 16(d) (iii)- have a provision in respect of separation and redundancy for employees (other than holders of offices);
- Item 16 (d) (iv) – have a provision in respect of other employee provisions for employees (other than holders of offices);
- Item 19 - have another entity administer the financial affairs of the reporting unit; and
- Item 20 - make a payment to a former related party of the reporting unit.

Reporting Requirements

The Fair Work Commission (the Commission) website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the *Fair Work (Registered Organisations) Act 2009* (RO Act), the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries, please contact me on (03) 8650 0182 or by email at mihiri.jayawardane@fwc.gov.au.

Yours sincerely



Mihiri Jayawardane
Fair Work 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 2022

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 2022 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 28 April 2023; and
- that the full report was presented to the Annual General Meeting of members of the Union of Christmas Island Workers on 31 May 2023 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: 7 June 2023

UNION OF CHRISTMAS ISLAND WORKERS

ABN: 16 488 483 497

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

UNION OF CHRISTMAS ISLAND WORKERS

ABN: 16 488 483 497

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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 financial position as at 31 December 2022, statement of profit or loss and other 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 committee of management statement.

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 2022 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)*.

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with the 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.

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 Entity 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:

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- 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.
- 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.



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strength in numbers

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 that control 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 17 April 2023

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UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
CATEGORIES OF EXPENDITURE

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 2022.

Categories of Expenditure	2022		2021	
	\$	%	\$	%
Remuneration and other employment related expenses	127,249	78.80%	154,727	74.41%
Advertising	-	-	-	-
Operating costs	34,231	21.20%	53,217	25.59%
Donations to political parties	-	-	-	-
Legal costs	-	-	-	-

The above Categories of Expenditure forms part of the general purpose financial report for the year ended 31 December 2022.



Gordon Thomson
General Secretary

Dated this 17 day of April 2023

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
OPERATING REPORT

The Union of Christmas Island Workers Executive Committee (the Committee of Management) presents its operating report on the Reporting Unit ("Union") for the year ended 31 December 2022.

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 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.

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
OPERATING REPORT

- (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 202, of which 173 were financial on 31 December 2022.

The number of un-financial members as at 31 December 2022 was 29 (2021: 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	01/01/2022 - 31/12/2022
LEE, Kelvin Kok Bin	Vice President	01/01/2022 - 31/12/2022
KOH, Nora	Vice President	01/01/2022 - 31/12/2022
THOMSON, Gordon	General Secretary	01/01/2022 - 31/12/2022
LOW, Jeffrey	Trustee	01/01/2022 - 31/12/2022
DE CRUZ, Ronald Edward	Trustee	01/01/2022 - 31/12/2022
NG, Hooi Hock	Committee Member	01/01/2022 - 31/12/2022
SAW, Cheng Siew	Committee Member	01/01/2022 - 31/12/2022
SU, Zhong Xiong	Committee Member	01/01/2022 - 31/12/2022
MASLI, Hafiz	Committee Member	01/01/2022 - 31/12/2022



Gordon Thomson
General Secretary

Dated this 17 day of April 2023

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
COMMITTEE OF MANAGEMENT STATEMENT

On 17 April 2023 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 2022.

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) 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

Dated this 17 day of April 2023

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue			
Membership subscription*	2(a)	148,768	148,541
Capitation fees and other revenue from reporting unit*	2(b)	-	-
Levies*	2(c)	-	-
Investment income	2(d)	-	-
Rental revenue	2(e)	14,100	15,500
Total revenue		162,868	164,041
Other income			
Grants and/or donations*	2(f)	-	16,500
Revenue from recovery of wages activity*	2(g)	-	-
Other income		491	1,323
Total other income		491	17,823
Total revenue and other income		163,359	181,864
Expenses			
Employee benefits expenses	3	127,249	154,727
Capitation fees and other expense to another reporting unit*	4	-	-
Affiliation fees	5	3,050	2,360
Administration expenses	6	12,192	16,917
Grants or donations*	7	-	-
Depreciation and amortisation	8	2,406	2,577
Legal fees*	9	-	-
Audit fees	20	7,250	9,850
Other expenses*	10	9,333	21,513
Total expenses		161,480	207,944
Surplus (deficit) before tax		1,879	(26,080)
Income tax expense		-	-
Surplus (deficit) for the year		1,879	(26,080)
Other comprehensive income for the year			
Total comprehensive income (loss) for the year		1,879	(26,080)

The accompanying notes form part of these financial statements.

*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
ABN: 16 488 483 497
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11	20,648	29,522
Trade and other receivables*	12	1,468	4,342
TOTAL CURRENT ASSETS		<u>22,116</u>	<u>33,864</u>
NON-CURRENT ASSETS			
Land and buildings	13	71,305	72,432
Plant and equipment	14	10,613	11,892
TOTAL NON-CURRENT ASSETS		<u>81,918</u>	<u>84,324</u>
TOTAL ASSETS		<u>104,034</u>	<u>118,188</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	15,382	32,494
Employee provisions	16	59,227	58,148
TOTAL CURRENT LIABILITIES		<u>74,609</u>	<u>90,642</u>
TOTAL LIABILITIES		<u>74,609</u>	<u>90,642</u>
NET ASSETS		<u>29,425</u>	<u>27,546</u>
EQUITY			
Retained earnings		29,425	27,546
TOTAL EQUITY		<u>29,425</u>	<u>27,546</u>

The accompanying notes form part of these financial statements.

*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
ABN: 16 488 483 497
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	General funds/reserves	Retained earnings	Total
	\$	\$	\$
Balance at 1 January 2021	-	53,626	53,626
Deficit for the year	-	(26,080)	(26,080)
Other comprehensive income	-	-	-
Balance at 31 December 2021	<u>-</u>	<u>27,546</u>	<u>27,546</u>
Balance at 1 January 2022	-	27,546	27,546
Surplus for the year	-	1,879	1,879
Other comprehensive income	-	-	-
Balance at 31 December 2022	<u>-</u>	<u>29,425</u>	<u>29,425</u>

The accompanying notes form part of these financial statements.

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Union of Christmas Island workers		148,768	148,541
Interest received		-	-
Other receipts		14,591	35,904
Payments to suppliers		(31,825)	(28,392)
Payments to employees		(140,408)	(150,888)
Payments to Union of Christmas Island workers		-	-
Net cash (used in)/provided by operating activities	18	(8,874)	5,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net (decrease)/increase in cash held		(8,874)	5,165
Cash and cash equivalents at beginning of financial year		29,522	24,357
Cash and cash equivalents at end of financial year	11	20,648	29,522

The accompanying notes form part of these financial statements.

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies

(a) Basis of Preparation

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.

Comparative Figures

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

Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There is no significant accounting judgements and estimates.

(b) Going concern

The financial report discloses the going concern basis of preparation. The Union of Christmas Island Workers (UCIW) incurred a surplus of \$1,879 during the year ended 31 December 2022 (2021: deficit of \$26,080) and, as of that date, the UCIW's total assets exceeded its total liabilities by \$29,425 (2021: \$27,546). Included in the current liabilities of UCIW is \$59,227 of leave entitlements owing to the General Secretary. The General Secretary has provided written confirmation to UCIW that these entitlements of \$59,227 will not be called for payment until such time that UCIW has sufficient cash reserves. Furthermore, in the event that membership revenue decreases to the extent requiring reduction in expenditure, the Executive Committee will implement a cash flow management strategy involving one, or more, of the following measures:

a. temporary suspension of payment of wages for the General Secretary including annual leave and long service leave 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.

Based on the above facts, the Executive Committee consider the going concern basis of preparation to be appropriate.

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (contd.)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and 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. 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 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

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on reducing balance basis over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Useful lives
Land & buildings	25 years
Plant and equipment	2 - 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

(d) 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).

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Union 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 profit or loss immediately.

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 15.63.

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (contd.)

(e) Financial Instruments (contd.)

On the basis of the two primary criteria:

- 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
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

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 and 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
- initially designated as 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 over its life in profit or loss 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 at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability cannot be reclassified.

UNION OF CHRISTMAS ISLAND WORKERS
ABN: 16 488 483 497
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (contd.)

(e) Financial Instruments (contd.)

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Union's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of 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 profit or loss.

Derecognition of 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 derecognition 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 Union no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(f) Impairment

(i) 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.

UNION OF CHRISTMAS ISLAND WORKERS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (contd.)

(f) Impairment (contd.)

(ii) Impairment of financial assets

The Union 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 Union uses the simplified approach to impairment for trade debtors, as applicable under AASB 9.

(g) Employee Benefits

(i) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave expected to be taken within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Union expects to pay as at reporting date including related on costs, such as workers compensation insurance and payroll tax. Non accumulating non monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Union as the benefits are taken by the employees.

(ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due.

(iii) Other long-term employee benefits

The Union's net obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus any related on costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Union's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

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.

(h) Provisions

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

UNION OF CHRISTMAS ISLAND WORKERS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (contd.)

(i) Revenue and Other Income

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 as 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 Union 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 Union follows a 5-step process in accordance with AASB 15 *Revenue from Contracts with Customers* ('AASB 15'):

- (i) Identifying the contract with a customer;
- (ii) Identifying the performance obligations;
- (iii) Determining the transaction price;
- (iv) Allocating the transaction price to the performance obligations; and
- (v) Recognising revenue when/as the performance obligation(s) are satisfied.

The Union's main revenue sources and accounting policies are listed below:

Membership subscriptions

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

For the Union 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.

UNION OF CHRISTMAS ISLAND WORKERS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (contd.)

(i) Revenue and Other Income (contd.)

Rental income

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

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.

All revenue is stated net of the amount of good and service tax (GST).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets (excluding receivables and payables) are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Adoption of new and revised standards

In the year ended 31 December 2022, the Committee have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Union and effective for the current annual reporting period. As a result of this review, the Committee have determined that there is no material impact of the new and revised Standards and Interpretations on the Union and, therefore, no material change is necessary to the Union's accounting policies.

(l) Standards and Interpretations in issue not yet adopted

Management assessment indicates that there are no new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Union's financial report in the period of initial application.

UNION OF CHRISTMAS ISLAND WORKERS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 2	Revenue and Other Income	2022 \$	2021 \$
	(a) Membership subscription*		
	Membership subscription	148,768	148,541
		<u>148,768</u>	<u>148,541</u>
	(b) Capitation fees and other revenue from another reporting unit*		
	Capitation fees	-	-
	Other revenue from another reporting unit	-	-
		<u>-</u>	<u>-</u>
	(c) Levies*		
	Levies	-	-
		<u>-</u>	<u>-</u>
	(d) Investment income		
	Interest received	-	-
		<u>-</u>	<u>-</u>
	(e) Rental revenue		
	Properties	14,100	15,500
		<u>14,100</u>	<u>15,500</u>
	(f) Grants and/or donations*		
	Grants	-	-
	Donations	-	16,500
		<u>-</u>	<u>16,500</u>
	(g) Revenue from recovery of wages activity*		
	Amounts recovered from employers in respect of wages	-	-
	Interest received on recovered money	-	-
		<u>-</u>	<u>-</u>
Note 3	Employee Benefits Expenses*		
	(a) Holders of office:		
	Wages and salaries	104,056	119,814
	Superannuation expense	19,548	19,354
	Leave and other entitlements	1,080	3,838
	Separation and redundancies	-	-
	Other employee expenses	864	10,321
		<u>125,548</u>	<u>153,327</u>
	(b) Other than office holders:		
	Wages and salaries	1,460	986
	Superannuation expense	241	158
	Leave and other entitlements	-	-
	Separation and redundancies	-	-
	Other employee expenses	-	256
		<u>1,701</u>	<u>1,400</u>
	Total employee benefits expenses	<u>127,249</u>	<u>154,727</u>

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Note 4 Capitation Fees and Other Expense to Another Reporting Unit*		
Capitation fees	-	-
Other revenue from another reporting unit	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Note 5 Affiliation Fees*		
Unions WA	1,522	1,124
A.C.T.U	1,528	1,236
	<u>3,050</u>	<u>2,360</u>
	<u>3,050</u>	<u>2,360</u>
Note 6 Administration Expenses		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	-	-
Property expenses	6,141	8,766
Office expenses	4,759	6,522
Information communications technology	1,292	1,629
	<u>12,192</u>	<u>16,917</u>
	<u>12,192</u>	<u>16,917</u>
Note 7 Grants or Donations*		
(a) Grants		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>
(b) Donations		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Note 8 Depreciation and amortisation		
Depreciation		
Land and buildings	1,127	1,127
Plant and equipment	1,279	1,450
	<u>2,406</u>	<u>2,577</u>
	<u>2,406</u>	<u>2,577</u>

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
Note 9 Legal Costs*		
Litigation	-	-
	-	-
	-	-
Note 10 Other Expenses		
Penalties - via RO Act or the Fair Work Act 2009*	-	-
Union day expenses	-	11,923
Other expenses	9,333	9,590
	9,333	21,513
Note 11 Cash and Cash Equivalents		
Cash at bank	20,648	29,522
Short term deposit	-	-
	20,648	29,522
Note 12 Trade and Other Receivables		
Receivables from other reporting units*		
Union of Christmas Island Workers	-	-
Less allowance for expected credit losses*	-	-
Receivable from other reporting units (net)	-	-
Prepayments**	1,468	4,342
	1,468	4,342

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

At 1 January	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 31 December	-	-

*As required by the reporting guidelines, the above items 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.

UNION OF CHRISTMAS ISLAND WORKERS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 13	Land and Buildings	2022	2021
		\$	\$
	Land and buildings - at cost	78,615	78,615
	Land and buildings - accumulated depreciation	(7,310)	(6,183)
		<u>71,305</u>	<u>72,432</u>

Reconciliation of opening and closing balances of land and buildings:

As at 1 January

Gross book value	78,615	78,615
Accumulated depreciation and impairment	(6,183)	(5,056)
Net book value 1 January	<u>72,432</u>	<u>73,559</u>

Additions	-	-
Impairments	-	-
Depreciation expense	(1,127)	(1,127)
Disposals	-	-
Net book value 31 December	<u>71,305</u>	<u>72,432</u>

Net book value as of 31 December is represented by:

Gross book value	78,615	78,615
Accumulated depreciation and impairment	(7,310)	(6,183)
Net book value 31 December	<u>71,305</u>	<u>72,432</u>

Note 14	Plant and Equipment	\$	\$
	Plant and equipment - at cost	43,299	43,299
	Plant and equipment - accumulated depreciation	(32,686)	(31,407)
		<u>10,613</u>	<u>11,892</u>

Reconciliation of opening and closing balances of plant and equipment:

As at 1 January

Gross book value	43,299	43,299
Accumulated depreciation and impairment	(31,407)	(29,957)
Net book value 1 January	<u>11,892</u>	<u>13,342</u>

Additions	-	-
Impairments	-	-
Depreciation expense	(1,279)	(1,450)
Disposals	-	-
Net book value 31 December	<u>10,613</u>	<u>11,892</u>

Net book value as of 31 December is represented by:

Gross book value	43,299	43,299
Accumulated depreciation and impairment	(32,686)	(31,407)
Net book value 31 December	<u>10,613</u>	<u>11,892</u>

UNION OF CHRISTMAS ISLAND WORKERS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 15	Trade and Other Payables	2022	2021
		\$	\$
	(a) Trade creditors		
	Trade creditors and accruals	-	-
	Operating lease rentals	-	-
		-	-
	(b) Payables to other reporting units	-	-
	(c) Other payables		
	PAYG Payable	8,460	26,702
	Superannuation	5,322	3,262
	Payable to employers for making payroll deductions of membership subscriptions*	-	-
	Legal costs*	-	-
	Litigation	-	-
	Other legal costs	-	-
	**Unearned revenue (Contract Liability)	1,600	2,275
	Payroll liabilities	-	255
		15,382	32,494
	Total trade and other payables are expected to be settled in:		
	No more than 12 months	15,382	32,494
	More than 12 months	-	-
	Total trade and other payables	15,382	32,494

Note 16 **Employee Provisions***

	(a) Office holders		
	Annual leave provisions	39,062	36,012
	Long service leave provisions	20,165	22,136
		59,227	58,148
	(b) Employees other than office holders		
	Annual leave provisions	-	-
	Long service leave provisions	-	-
		-	-
	Current***	59,227	58,148
	Non-current	-	-
	Total employee provisions	59,227	58,148

*As required by the reporting guidelines, the above items 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*.

*** The General Secretary has provided written confirmation to UCIW that these entitlements of \$59,227 will not be called for payment until such time that UCIW has sufficient cash reserves.

UNION OF CHRISTMAS ISLAND WORKERS
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 17	Equity	2022 \$	2021 \$
	Other specific disclosures - funds*		
	Compulsory levy/voluntary contribution fund – if invested in assets	-	-
	Other fund(s) required by rules		
	Balance as at start of year	-	-
	Transferred to reserve	-	-
	Transferred out of reserve	-	-
	Balance as at end of year	<u>-</u>	<u>-</u>
Note 18	Cash Flow Information		
	Cash and cash equivalents as per:		
	Cash flow statement	20,648	29,522
	Balance sheet	20,648	29,522
	Difference	<u>-</u>	<u>-</u>
	Reconciliation of cash flows from operating activities with surplus/(deficit) after income tax		
	Surplus/(deficit) after income tax	1,879	(26,080)
	Non-cash flows in surplus		
	— depreciation/amortisation expense	2,406	2,577
	Changes in assets and liabilities		
	— (Increase)/decrease in net receivables	-	-
	— Decrease in prepayments	2,874	2,582
	— Increase/(decrease) in supplier payables	950	(950)
	— (Decrease)/increase in other payables	(18,062)	23,197
	— Increase in employee provisions	1,079	3,839
	— Increase/(decrease) in other provisions	-	-
	Net cash (used in)/provided by operating activities	<u>(8,874)</u>	<u>5,165</u>
	Cash flow information*		
	Cash inflows		
	Union of Christmas Island Workers	148,768	148,541
	Total cash inflows	<u>148,768</u>	<u>148,541</u>
	Cash outflows		
	Union of Christmas Island Workers	-	-
	Total cash outflows	<u>-</u>	<u>-</u>

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 19 Related Party Disclosures

Mr Gordon Thompson 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.

Key management personnel remuneration for the reporting year:

	2022	2021
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	105,136	122,630
	105,136	122,630
Post-employment benefits:		
Superannuation	19,548	19,354
	19,548	19,354
Other short-term benefits		
Other employee benefits	864	10,321
	864	10,321
Other long-term benefits		
Other employee benefits	-	1,022
	-	1,022
Termination benefits	-	-
	-	-
Total key management personnel remuneration	125,548	153,327

Mr Gordon Thomson had \$39,062 of annual leave and \$20,165 of long service leaving owing to him at 31 December 2022. The General Secretary has provided written confirmation to UCIW that these entitlements of \$59,227 will not be called for payment until such time that UCIW has sufficient cash reserves

Note 20 Remuneration of Auditors

Value of the services provided

Financial statement audit services	7,250	9,850
Other services	-	-
	7,250	9,850

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 21 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 Management's 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.

	2022 \$	2021 \$
Financial assets		
At amortised cost:		
Cash at bank	20,648	29,522
Trade and other receivables	-	-
Total	20,648	29,522
Carrying amount of financial assets	20,648	29,522
Financial liabilities		
Trade and other payables	-	-
Total	-	-
Carrying amount of financial liabilities	-	-

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. Credit risk is minimal.

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.

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 22 Capital and Leasing Commitments

No capital commitments existed at 31 December 2022 or at 31 December 2021.

Note 23 Contingent Liabilities and Contingent Assets

No contingent liabilities or contingent assets existed at 31 December 2022 or at 31 December 2021.

Note 24 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:

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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).

Note 25 Events After the Reporting Period

There were no events that occurred after 31 December 2022, 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.