



18 March 2016

Mr Gordon Thomson
General Secretary
Union of Christmas Island Workers
PO Box 84
Christmas Island INDIAN OCEAN 6798

By e-mail: uciw@pulau.cx

Dear Mr Thomson

**Union of Christmas Island Workers
Financial Report for the year ended 31 December 2014 - FR2014/442**

I acknowledge receipt of the amended financial report for the year ended 31 December 2014 for the Union of Christmas Island Workers, (UCIW). The financial report was lodged with the Fair Work Commission (FWC) on 17 March 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2014 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report

General purpose financial report to be prepared on accrual basis

Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that 'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'.

In regard to membership fees Note 1.5 to the GPFR states "Revenue from Membership fees are recognised as revenue when the right to receive the fee has been established and receipt of the fee is certain."

Please ensure that membership fees are brought to account on an accruals basis in accordance with the Australian Accounting Standards and that the policy in relation to membership fees is clear.

The template '2014-15 Model Financial Statements', available from the FWC website, provides an example policy in relation to membership fees "Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates."

Fair value measurement disclosures

Australian Accounting Standard *AASB 13 Fair Value Measurement* details the reporting disclosures required for assets and liabilities that are measured at fair value.

Please ensure that non-current assets are disclosed in this note.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

CERTIFICATE OF GENERAL SECRETARY

FOR THE YEAR ENDED 31 DECEMBER 2014

I, Gordon Sinclair 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 2014, referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was presented to a meeting of the Union of Christmas Island Workers' Executive Committee meeting on 16 March 2016, in accordance with s266(3) of the *Fair Work (Registered Organisations) Act 2009*, which states:

“(3) If the rules of the reporting unit provide for a specified percentage (not exceeding 5%) of members to be able to call a general meeting of the reporting unit for the purpose of considering the auditor's report, the general purpose financial report and the operating report, the full report may instead be presented to a meeting of the committee of management of the reporting unit that is held within the period mentioned in subsection (1).”

The Rules of the Union provide the following at rule 20 (e):

“(e) A Special General Meeting shall be convened whenever:

- (i) the Executive Committee or the General Secretary deems it necessary, or
- (ii) the Executive Committee receives a requisition in writing from not fewer than 20 financial members or 5% of the total number of financial members, whichever is the lower, who shall state the object and reason for their wanting such a meeting.”



GORDON SINCLAIR THOMSON

GENERAL SECRETARY

For and on behalf of Union of Christmas Island Workers

Dated: 17 March 2016



Bookkeeping Services
Financial Planning
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Union of Christmas Island Workers

Scope

We have audited the Committee of Management Statement and the Financial Report set out on pages 9 to 30 which comprises the Statement of Financial Position as at 31 December 2014, the Statement of Comprehensive Income, Members Fund Account, Statement of Cash Flows, accounting policies and notes for the year ended 31 December 2014.

The Executive Committee is responsible for the preparation and presentation of the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts of and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to represent a view of the Union which is consistent with our understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

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Audit Opinion

In our opinion

- (i) there were kept by the Union in relation to the year satisfactory account records, including:
 - (a) records of the sources and nature of the income of the Union (including income from members); and
 - (b) records of the nature and purposes of the expenditure of the Union; and
- (ii) the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009; and
- (iii) The 2014 figures show that the Union was solvent with a profit of \$37,552.
- (iv) Management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

all the information and explanations that officers or employees of the Union were required to provide were provided.

ABBOTT SOLUTIONS



S C OUTTRIM CPA

APPROVED AUDITOR

Current holder of a Public Practice Certificate

DATE: 08/03/2016



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

OPERATING REPORT FOR YEAR ENDED 31 DECEMBER 2014

Principal Activities

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 in collective enterprise agreements negotiated by the Union.

Significant Changes in Financial Affairs

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

Manner of Resignation

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

A member may resign their membership by notifying the General Secretary in writing, addressed and delivered to that officer.

A notice of resignation from membership takes effect:

- (a) where the member ceases to be eligible to become a member of the union:
 - (i) on the day on which the notice is received by the union;
or
 - (ii) 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 members;



whichever is later; or

- (b) in any other case:
- (i) at the end of two weeks, after notice is received by the organisation; or
 - (ii) on the day specified in the notice;

whichever is later.

Any dues payable but not paid by a former member of the union, in relation to a period before the member's resignation from the union 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.

A notice delivered to the Secretary shall be taken to have been received by the union when it is delivered.

A notice of resignation that has been received by the union is not valid because it was not addressed and delivered to the Secretary.

A resignation from membership is not invalid even if it is not affected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

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

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

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Union was 231.

The number of un-financial members as at 31/12/2014 was 134.



Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Union was 4.

Members of Committee of Management

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

FOO, Kee Heng (President 01/01/2014-31/12/2014)
THOMSON, Gordon (General Secretary 01/01/2014-31/12/2014)
LOW, Jeffrey (Trustee 01/01/2014-31/12/2014)
DE CRUZ, Ronald Edward (Trustee 01/01/2014-31/12/2014)
KOH, Nora (Vice President 01/01/2014-30/12/2014)
LEE, Kelvin Kok Bin (Vice President 01/01/2014-31/12/2014)
NG, Hooi Hock (Committee Member 01/01/2014-31/12/2014)
SAW, Chang Siew (Committee Member 01/01/2014-31/12/2014)
SU, Zhong Xiong (Committee Member 01/01/2014-31/12/2014)
LINES, Oliver (Committee Member 01/01/2014-31/12/2014)
MASLI, Hafiz (Committee Member 01/01/2014-31/12/2014)



GORDON THOMSON

DATED: 17 February 2016



UNION OF CHRISTMAS ISLAND WORKERS

GENERAL SECRETARY'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

In my opinion the accompanying accounts as set out on pages 9 to 30:-

- (a) Are drawn up so as to give a true and fair view of the state of the Union's affairs as at 31 December 2014 and of its net loss for the year ended on that date; and
- (b) At the date of this statement there are reasonable grounds to believe that the Union will be able to pay its debts as and when they fall due.

The accounts have been made out in accordance with Statement of Accounting Concepts and all Applicable Accounting Standards.



GORDON THOMSON
GENERAL SECRETARY
For and on behalf of Union of Christmas Island Workers

Dated: 8 March 2016



UNION OF CHRISTMAS ISLAND WORKERS

Committee of Management Statement

I FOO, KEE HENG being a member of the Committee of Management of the Union of Christmas Island Workers, do state that on the 22 January 2016 the Committee of Management of the Union of Christmas Island Workers passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 31 December 2014:

The Committee of Management declares in relation to the GPFR that in its opinion:

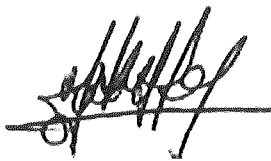
- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with reporting guidelines of the Fair Work Commission;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the GPFR related and since the end of that year:
 - i) meetings of the committee of management were held in accordance with the rules of the Union including the rules of a branch concerned; and
 - ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii) the financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and



- iv) the information sought in any request of a member of the reporting entity or a General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
- v) there have been no orders made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- vi) in relation to the recovery of wages activity there has been no such activity undertaken by the reporting unit.

For Committee of Management: FOO KEE HENG

Title of Office Held: President



FOO KEE HENG

Dated: 8 March 2016

This Committee of Management Certificate forms part of the Accounts and Statements referred to in the Auditors Report.



UNION OF CHRISTMAS ISLAND WORKERS
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2014



UNION OF CHRISTMAS ISLAND WORKERS
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

		2014	2013
		\$	\$
	Notes		
MEMBERS FUNDS		77,754	40,202
Represented by -			
CURRENT ASSETS			
Cash at Bank			
Westpac Bank		16,864	35,287
Westpac Term Deposit		26,038	25,000
Debtors – Membership Fees		40,200	-
Annual Leave Paid in Advance		5,367	
		88,469	60,287
CURRENT LIABILITIES			
Provision for PAYG Withholding		10,671	7,192
Superannuation Payable		4,523	-
Membership deduction employer payables		-	-
Payables in respect of legal costs		-	-
Provision for Annual Leave	2	26,639	24,456
Provision for Long Service Leave	2	47,558	42,395
		89,390	74,043
WORKING CAPITAL/(DEFICIENCY)		(921)	(13,756)
NON-CURRENT ASSETS			
Property Plant and Equipment	3	78,675	53,958
Total Non - Current Assets		78,675	53,958
NON-CURRENT LIABILITIES			
		-	-
EXCESS OF ASSETS OVER LIABILITIES		77,754	40,202

These Statements should be read in conjunction with the
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS
MEMBERS FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014	2013
		\$	\$
Opening Balance		40,202	23,512
Net Profit/(Loss)		37,552	16,690
		<hr/>	<hr/>
		77,754	40,202
		<hr/> <hr/>	<hr/> <hr/>

These Statements should be read in conjunction with the
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
		\$	\$
REVENUE	Notes		
Compulsory levies		-	-
Donations Received		22,900	7,000
Interest Received		1,162	121
Workers Compensation Received			
Rent Income		21,100	27,500
Membership Fees Received	11	209,214	156,843
Miscellaneous Income		8,530	14,281
Prior Year Adjustment			46
TOTAL REVENUE		262,906	205,791
EXPENDITURE			
Accounting Fees	4	720	930
Audit Fees	4	5,360	4,385
Advertising & Promotion		-	-
Affiliation Fees	5	4,521	4,385
Bank Charges		8	-
Bookkeeping Fees		2,700	1,123
Cleaning		574	294
Compulsory Levies Imposed		-	-
Computer Requisites		-	-
Depreciation	3	1,902	840
Donations - Other	6	450	200
Electricity		3,360	3,455
Entertainment		0	233
Fees & Licences		236	296
Fringe Benefits Tax		3,556	2,620
Insurance		3,926	3,755
Internet & Service Fees		1,049	788
Membership deduction employer costs		-	-

These Statements should be read in conjunction with the
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014	2013
		\$	\$
Motor Vehicle			
Fuel & Oil		1,839	1,827
Repairs & Maintenance		-	180
Registration		1071	1,032
		<hr/>	<hr/>
		2,910	3,039
Printing, Stationery & Stamps		826	312
Rates & Taxes		3,824	3,744
Repairs & Maintenance		0	180
Sundry Expenses		2,188	1,566
Employee expenses	7	169,568	139,650
Telephone		3,258	3,039
Union Day Expenses		14,418	14,268
Legal Costs		-	-
Penalties imposed under the RO Act		-	-
		<hr/>	<hr/>
		225,354	189,101
		<hr/>	<hr/>
NET PROFIT/(LOSS)		37,552	16,690
		<hr/> <hr/>	<hr/> <hr/>

These Statements should be read in conjunction with the
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS
STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2014

		2014	2013
		\$	\$
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members & Donors		191,918	174,713
Payments to Suppliers and Employees		(213,476)	(181,205)
Interest Received		1,162	121
Rental Income Received		21,100	27,500
Other Income		8,530	3,457
Net cash provided by (used in) Operating Activities	8	9,234	24,586
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant & Equipment	3	(26,619)	-
Net cash provided by (used in) Investing Activities		(26,619)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings – TLC Building		-	-
Net cash provided by (used in) Financing Activities		-	-
Net increase/(decrease) in cash held		(17,385)	24,586
Cash at 31 December 2013		60,287	35,701
Cash at 31 December 2014	8	42,902	60,287

These Statements should be read in conjunction with the
Notes and Audit Report of Abbott Solutions



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UNION OF CHRISTMAS ISLAND WORKERS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Note 1 Statement 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

There are no other accounting assumptions or estimates that 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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

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

The financial statements have been prepared in accordance with the RO Act.



1.5 Revenue & Other Income Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from Membership fees are recognised as revenue when the right to receive the fee has been established and the receipt of the fee is certain.

Membership fees are recorded in one of two categories: entrance fees or periodic subscriptions. The balances are combined in the Profit & Loss Accounts for the year in the Income item, Membership Fees Received.

Donations & Bank Interest income is recognised when it is received.

Rental revenue earned is recognised on a month to month basis.

1.6 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 reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit 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. Reporting Unit 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.



1.7 Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employees provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirement. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

1.8 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 consolidated statement of financial position.

1.9 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or



- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.10 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.



Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

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

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

De-recognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



1.11 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.

1.12 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—land and buildings

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

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

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:

	2014	2013
Land & buildings	-	-
Plant and equipment	15-50%	15-50%
Motor Vehicle	22.5%	22.5%

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.

1.13 Impairment for 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 depreciated replacement cost.

1.14 Fair value measurement

The Union of Christmas Island Workers measures financial instruments, such as, cash and trade payables at their carrying amounts due to the short term maturity of the instruments as disclosed in note 10.

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



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

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

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

The Union of Christmas Island Workers does not have any assets and liabilities recorded in the statement of financial position for which the fair value is required to be measured and disclosed in terms of the fair value hierarchy as required by AASB 13.



Notes to the financial statements

Note 2 Provisions*

	2014	2013
Office Holders:		
Annual leave	23,252	19,792
Long service leave	44,711	40,060
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions— office holders	67,693	59,852
Employees other than office holders:		
Annual leave	3,387	4,664
Long service leave	2,846	2,335
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions— employees other than office holders	6,233	6,999
Total employee provisions	74,196	66,851
Current	74,196	66,851
Non-Current	-	-
Total employee provisions	74,196	66,851

Note 3 Property, Plant and Equipment

	Plant and Equipment	Motor Vehicles	Land and Buildings	Total
at cost	43,621	26,088	50,443	120,152
accumulated depreciation	(16,103)	(25,374)	-	(41,477)
Total plant and equipment	27,518	714	50,443	78,675

Reconciliation of the opening and closing balances of property, plant and equipment

As at 1 January 2014				
Cost	17,002	26,088	50,443	93,533
Accumulated depreciation and impairment	(14,408)	(25,167)	-	(39,575)
Net book value 1 January 2014	2,594	921	50,443	53,958
Additions:				
By purchase	26,619	-	-	26,619
From acquisition of entities (including	-	-	-	-



restructuring)				
Impairments	-	-	-	-
Depreciation expense	1,695	207	-	1,902
Disposals:				-
Net book value 31 December 2014	27,518	714	50,443	78,675
Net book value as of 31 December 2014 represented by:				
Cost	43,621	26,088	50,443	120,152
Accumulated depreciation and impairment	(16,103)	(25,374)	-	(41,477)
Net book value 31 December 2014	27,518	714	50,443	78,675

Land is not depreciated as it has an indefinite useful life. The split of the cost between Land and Buildings cannot be determined and therefore no depreciation has been accounted for.

. Note 4 Remuneration of Auditors

Value of the services provided	2014	2013
	\$	\$
Financial statement audit services	5,360	4,385
Other services	720	930
Total remuneration of auditors	6,080	5,315

Other services were provided by the auditors of the financial statements:

- Annual Review fees of the Company Annual Statement, including appropriate Directors' Solvency Resolution.
- Review of MYOB records for the year ended 31st December 2014
Preparation and lodgment of Fringe Benefits Tax Return for the year ended 31 March 2015.

Note 5: Affiliation fees

	2014	2013
Unions WA	2,126	2,045
A.C.T.U	2,145	2,090
Australia Asia Worker	200	200
Society Study Labour	50	50
Total affiliation fees/subscriptions	4,521	4,385

Note 6 Grants or donations

	2014	2013
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		



Total paid that were \$1,000 or less	450	200
Total paid that exceeded \$1,000	-	-
Total grants or donations	450	200

Note 7: Employee expenses

	2014	2013
 Holders of office:		
Wages and salaries	113,599	91,757
Superannuation	16,675	20,817
Leave and other entitlements	8,111	7,308
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	138,385	119,882
Employees other than office holders:		
Wages and salaries	28,127	15,716
Superannuation	3,822	2,447
Leave and other entitlements	(766)	1,605
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	31,183	19,768
Total employee expenses	169,568	139,650

Note 8: 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	42,902	60,287
Balance sheet	42,902	60,287
Difference	0	0

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

Profit/(deficit) for the year	37,552	16,690
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Adjustments for non-cash items

Depreciation/amortisation	1,902	840
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-

Changes in assets/liabilities

(Increase)/decrease in net receivables	(40,200)	-
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(Increase)/decrease in prepayments	(5,367)	-
Increase/(decrease) in supplier payables	-	-
Increase/(decrease) in other payables	8,001	-
Increase/(decrease) in employee provisions	7,346	8,913
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	9,234	26,443

Cash flow information

Cash inflows	222,706	205,791
Total cash inflows	222,706	205,791
Cash outflows	221,473	179,348
Total cash outflows	221,473	179,348

Note 9: Financial Instruments

The Committee of Management of Union of Christmas Island Workers is responsible for, among other issues, monitoring financial risk exposures of the Union. The Committee of Management monitors transactions and reviews the effectiveness of 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 deposits with bank accounts and accounts payable.

The totals for each category of financial instruments, measures in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Note 9A: Categories of financial instruments

Financial assets

	2014	2013
Cash and cash equivalents	42,902	60,287
Carrying amount of financial assets	42,902	60,287

Income from the financial asset is included in interest received as reported in the Statement of Comprehensive Income

Financial liabilities

PAYG Withholding:	10,671	7,192
Superannuation payable	4,523	-
Carrying amount of financial	15,194	7,192-



liabilities

Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties 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.

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.

Market Risk

Market risk relates to the exposure to risk of significant fluctuations in interest rates and market prices of securities held which will have an impact on the financial performance of the Union.

The Union is not exposed to interest rate risk or price risks as the interest earned on the cash in the bank will be relatively stable in relation to cash held and the Union has no investments in securities.

Note 10 :Fair value measurement

The Committee of Management of the Union assessed that the fair value of *cash and trade payables* approximate their carrying amounts largely due to the short term maturities of these instruments.

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

	Carrying amount 2014 \$	Fair value 2014 \$	Carrying amount 2013 \$	Fair value 2013 \$
Financial Assets				
Cash and cash equivalents	42,902	42,902	60,287	60,287
Financial Liabilities				
PAYG Withholding	10,671	10,671	7,192	7,192
Superannuation payable	4,523	4,523	-	-



Note 11 Membership Fees Received

The Fees Received in Year 2013 of \$156,843 was recorded under Cash Basis Accounting.

The Fees Received in Year 2014 of \$ 209,514 was recorded under Accrual Basis Accounting. This includes \$40,200 of Fees Receivable as of 31/12/2014.

Note 12 Related Party Disclosures

Key Management Personnel Remuneration for the Reporting Period

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

The remuneration paid to Mr Gordon Thomson is disclosed in note 7 under Office Holders.

There were no other transactions with related party entities or individuals during the reporting period.

Note 13 Events after the reporting period

There were no events that occurred after 31 December 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union of Christmas Island Workers.

Note 14 Going Concern

The financial statements have been prepared on a going concern basis. The Committee of Management have reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable and will continue operations in the next 12 months.

Note 15 Prescribed Information Is Available To Members on Request

In accordance with Sections 272(1), (2) & (3) of RO Act,

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).



Note 16 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 the General Manager of Fair Work Australia:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).



UNION OF CHRISTMAS ISLAND WORKERS
Accounting Depreciation Report - Detailed
Period 1/01/2014 to 31/12/2014

Asset Code	Description	Private Use %	Acq. (Disp) Date	Original Cost	Opening W.D.V.	Additions (Disposals)	Profit (Loss) on Sale	Depn Method	Depreciation	Closing W.D.V.
670	Plant & Equipment - at Cost									
01	Industrial Library		01/07/1995	9,850	489	-	-	15.00 D	73	416
05	Desks (2)		01/07/1995	200	3	-	-	20.00 D	1	2
06	Tables (3)		01/07/1995	400	6	-	-	20.00 D	1	5
08	Carpet		01/07/1995	100	-	-	-	20.00 D	-	-
09	Coffee Table		01/07/1995	50	-	-	-	20.00 D	-	-
10	Chairs		01/07/1995	300	5	-	-	20.00 D	1	4
11	Filing Cabinets		01/07/1995	300	5	-	-	20.00 D	1	4
12	Lounge Suite Set		01/07/1995	100	-	-	-	20.00 D	-	-
13	Paintings		01/07/1995	500	193	-	-	5.00 D	10	183
19	UCIW - Plaque & Flag		01/07/1995	1,000	141	-	-	10.00 D	14	127
33	Aircon		26/07/2007	600	211	-	-	15.00 D	32	179
34	Aircon		01/01/2007	1,835	588	-	-	15.00 D	88	500
35	HP Printer		11/02/2011	109	15	-	-	50.00 D	8	7
36	HP Compaq Computer		22/12/2011	558	138	-	-	50.00 D	69	69
38	Fridge		05/04/2012	1,100	803	-	-	16.67 D	134	669
39	Aircon		25/07/2014	2,920	-	2,920	-	20.00 D	256	2,664
40	Solar Power Panels		18/09/2014	22,700	-	22,700	-	10.00 D	653	22,047
41	Computer		16/04/2014	995	-	995	-	50.00 D	354	641
				<u>43,617</u>	<u>2,597</u>	<u>26,615</u>	<u>0</u>		<u>1,695</u>	<u>27,517</u>
676	Motor Vehicles - at Cost									
27	Toyota Rav4 car		15/11/2000	26,088	921	-	-	22.50 D	207	714
37	Toyota Rav 4 (Donated)		10/01/2011	-	-	-	-	0.00 P	-	-
				<u>26,088</u>	<u>921</u>	<u>0</u>	<u>0</u>		<u>207</u>	<u>714</u>
TOTAL				<u>69,705</u>	<u>3,518</u>	<u>26,615</u>	<u>0</u>		<u>1,902</u>	<u>28,231</u>

Notes:

1. Assets allocated to taxation pools are not included in this report.
2. Where a taxation pool is set up refer to the relevant pool schedule report for details of decline in value for the pool.
3. For disposed assets that have non-taxable use refer to Capital Gains Schedule report for any gain or loss resulting from a CGT K7 event.
4. The Opening W.D.V. includes second element of cost (additional expense) incurred in the current year. Hence, this amount may vary from the Closing W.D.V. from the previous year.
5. The Original Cost for Motor Vehicle assets shows an amount as adjusted by the cost limit.

! Impairment or Revaluation during the year. See Impairment and Revaluation Transactions report for details

