



26 July 2019

Gordon Thomson  
General Secretary  
Union of Christmas Island Workers

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

Dear Gordon Thomson,

**Union of Christmas Island Workers**  
**Financial Report for the year ended 31 December 2018 – (FR2018/317)**

I acknowledge receipt of the financial report of the Union of Christmas Island Workers (**reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 30 June 2019. I also acknowledge receipt of the subsection 255(2A) report which was lodged with the ROC on 24 July 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**General purpose financial report (GPFR)**

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Paying to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit (RG14(h));
- Incurring expenses due to holding a meeting as required under the rules of the organisation (RG14(i));

- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch (RG17(a));
- Transferring to or withdrawing from a fund (other than the general fund), account, asset or controlled entity (RG17(b));
- Having another entity administer the financial affairs of the reporting unit (RG19); and
- Making a payment to a former related party of the reporting unit (RG20)

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

#### Key management personnel compensation

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the GPFR to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Please ensure in future years that the notes on key management personnel compensation are disclosed according to the accounting standards.

#### Recovery of wages disclosure

Please note that under the 5<sup>th</sup> edition of the RG made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5<sup>th</sup> edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. RG 21 states that if any activity described within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

#### References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(vi) in the committee of management statement refers to the Registered Organisations Commission instead of the Fair Work Commission.

#### **Auditor's report**

##### Audit scope to include subsection 255(2A) report

A GPFR prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report was lodged with the ROC on 24 July 2019 but the auditor did not refer to the statement in the auditor's report.

Please ensure in future years that the subsection 255(2A) report is audited before it's provided to members and lodged with the ROC.

### **Reporting Requirements**

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

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

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Kylie', with a long horizontal stroke extending to the right.

**Kylie Ngo**  
**Registered Organisations Commission**

## Union of Christmas Island Workers

### CATEGORIES OF EXPENDITURE FORMING PART OF THE GENERAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDING 31 DECEMBER 2018

This statement of categories of expenditure is provided in compliance with subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*.

Categories of expenditure	2018 \$	2017 \$
Remuneration and other employment related expenses - employees	173,394 (78.69%)	176,218 (79.02.2%)
Advertising	nil	nil
Operating costs	46,948 (21.30%)	43,502 (19.5%)
Donations to political parties	nil	nil
Legal costs	nil	3,260 (1.4%)



Gordon Thomson  
General Secretary





Union Of Christmas Island Workers

P.O. Box 84, CHRISTMAS ISLAND, INDIAN OCEAN, 6798

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

## **Certificate By Prescribed Designated Officer<sup>1</sup>**

Certificate for the year ended 31 December 2018

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 period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 7 June 2019 and
- that the full report was presented to a general meeting of members of the reporting unit on 28 June 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, which appears to read 'Gordon Thomson', is written over a horizontal line.

Name of prescribed designated officer:      Gordon Thomson

Title of prescribed designated officer:      General Secretary

Dated:      28 June 2019

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<sup>1</sup> Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:  
(a) the secretary; or  
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Union of Christmas Island Workers

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Union of Christmas Island Workers which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Union of Christmas Island Workers as at 31 December 2018 and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

#### Basis for Opinion

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

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in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 ***Code of Ethics for Professional Accountants*** (the Code) that are relevant to my 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.

### **Emphasis of Matter**

We notice some receipts issued by local suppliers do not have ABN details we raised this same matter last year. We will restate this issue to the Union to ensure all payments made have supplier ABN details.

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

### **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 responsibilities 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 Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit 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 Reporting Unit's ability to continue as a going concern**, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether **due to fraud or error, and to issue an auditor's report that includes our opinion**. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on **the effectiveness of the Reporting Unit's internal control**.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Reporting

**Unit's ability to continue as a going concern.** If we conclude that a material uncertainty exists, we are required to draw attention in our **auditor's report to the related disclosures in the financial report or, if** such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date **of our auditor's** report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that we are an approved registered auditor, a member of Register of Auditors (NO.13421) and hold a current Public Practice Certificate.

## **ARMADA AUDIT ASSURANCE PTY LTD**



### **GRAEME WOVODICH**

Register Company Auditor 13421

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/13

DATE: 6 June 2019

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

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## **Operating Report for the year ended 31 December 2018**

The Committee of Management presents its operating report on the Reporting Unit for the year ended 31 December 2018.

### **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 in collective enterprise agreements negotiated by the Union.

### **Significant Changes in Financial Affairs**

s.254(2)(b)

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

### **Manner of Resignation**

s.254(2)(c)

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

- (a) A member of the Union may resign from membership of the Union by written notice addressed and delivered to the General Secretary.
- (b) A notice of resignation from membership of the Union takes effect:
  - (i) where the member ceases to be eligible to become a member of the Union:
  - (A) on the day on which the notice is received by the Union; or



- (B) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

- (ii) in any other case:

(A) at the end of 2 weeks after the notice is received by the Union; or

(B) on the day specified in the notice;

whichever is later.

- (c) Any dues payable but not paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (d) A notice delivered to the General Secretary shall be taken to have been received by the Union when it was delivered.
- (e) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with sub-rule (a) herein.
- (f) A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

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

s.254(2)(d)

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

### **Number of Members**

s.254(2)(f)

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Union was 262.



The number of un-financial members as at 31/12/2018 was 31.

### **Number of Employees**

s.254(2)(f)

The number of persons who were, at the end of the reporting period, employees of the Union was 3.

### **Members of Committee of Management**

regulation 159(c)

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

FOO, Kee Heng (President 01/01/2018-31/12/2018)

LEE, Kelvin Kok Bin (Vice President 01/01/2018-31/12/2018)

KOH, Nora (Vice President 01/01/2018-31/12/2018)

THOMSON, Gordon (General Secretary 01/01/2018-31/12/2018)

LOW, Jeffrey (Trustee 01/01/2018-31/12/2018)

DE CRUZ, Ronald Edward (Trustee 01/01/2018-31/12/2018)

NG, Hooi Hock (Committee Member 01/01/2018-31/12/2018)

SAW, Cheng Siew (Committee Member 01/01/2018 - 31/12/2018)

SU, Zhong Xiong (Committee Member 01/01/2018-31/12/2018)

MASLI, Hafiz (Committee Member 01/01/2018-31/12/2018)



Gordon Thomson  
General Secretary

DATED: 6 May 2019



## Committee of Management Statement for the year ended 31 December 2018

On 6 May 2019 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 2018.

In relation to the General Purpose Financial Report (GPFR) 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 including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit 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 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
- (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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  
6 May 2019



UNION OF CHRISTMAS ISLAND WORKERS  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 DECEMBER 2018



**UNION OF CHRISTMAS ISLAND WORKERS**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

		<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
	Notes		
MEMBERS FUNDS		93,030	123,719
<hr/>			
Represented by -			
<b>CURRENT ASSETS</b>			
Cash at Bank			
Westpac Bank		35,015	55,401
Westpac Term Deposit		29,520	28,843
Debtors – Membership Fees		17,572	32,139
		<hr/>	<hr/>
		82,107	116,383
<b>CURRENT LIABILITIES</b>			
Provision for PAYG Withholding		7,958	8,036
Superannuation Payable		5,691	3,480
Membership Deduction Employer payables		-	-
Payable in respect of legal costs		-	-
Provision for Annual Leave	2	36,866	39,076
Provision for Long Service Leave	2	31,239	38,028
		<hr/>	<hr/>
		81,754	88,620
<b>WORKING CAPITAL/(DEFICIENCY)</b>		<hr/>	<hr/>
		353	27,763
<b>NON-CURRENT ASSETS</b>			
Property Plant and Equipment	3	92,676	95,956
<b>Total Non - Current Assets</b>		<b>92,676</b>	<b>95,956</b>
<b>NON-CURRENT LIABILITIES</b>		-	-
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<b>93,030</b>	<b>123,719</b>

These Statements should be read in conjunction with the  
Notes and Audit Report of Armada Accountants & Advisors





**UNION OF CHRISTMAS ISLAND WORKERS**  
**MEMBERS FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018**

		<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
	Notes		
Opening Balance		123,719	108,025
Net Profit/(Loss)		(30,689)	15,694
		<hr/>	<hr/>
		93,030	123,719
		<hr/> <hr/>	<hr/> <hr/>

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**UNION OF CHRISTMAS ISLAND WORKERS**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

		<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>REVENUE</b>			
	Notes		
Compulsory levies		-	-
Donations Received		11,400	3,700
Interest Received		717	1,145
Workers Compensation Received		-	-
Rent Income		21,000	21,100
Membership Fees Received	11	155,664	214,849
Housing Campaign Fund		3,175	-
Miscellaneous Income		976	1,320
Sale of Fixed Asset		-	122
<b>TOTAL REVENUE</b>		<b>192,932</b>	<b>242,336</b>
<b>EXPENDITURE</b>			
Accounting Fees	4	300	1,970
Audit Fees	4	7,700	6,330
Advertising & Promotion		-	-
Affiliation Fees	5	4,643	4,505
Bank Charges		-	-
Bookkeeping Fees		3,840	3,320
Cleaning		896	723
Compulsory Levies Imposed		-	-
Computer Requisites		228	-
Depreciation	3	3,279	3,663
Donations - Other	6	0	0
Electricity		130	35
Entertainment		-	-
Fees & Licences		325	319
Fringe Benefits Tax		-	-
Insurance		5,995	4,579
Internet & Service Fees		294	211
Legal Fees		-	3,260

These Statements should be read in conjunction with the  
Notes and Audit Report of Armada Accountants & Advisors



**UNION OF CHRISTMAS ISLAND WORKERS**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Membership deduction employer costs		-	-
Motor Vehicle			
Fuel & Oil		1,932	908
Repairs & Maintenance		-	250
Registration		-	-
Car Hire		-	-
		<hr/>	<hr/>
		1,932	1,158
Printing, Stationery & Stamps		2,798	718
Rates & Taxes		4,476	4,306
Repairs & Maintenance		58	0
Sundry Expenses		-	1,200
Subscription Fees		-	850
Staff Amenities		-	164
Employee expenses	7	173,394	176,218
Telephone		1,790	2,222
Translation Fees		-	-
Union Day Expenses		11,333	10,892
Late Lodgement Penalty –ATO		210	-
Legal Costs		-	-
Penalties imposed under the RO Act		-	-
		<hr/>	<hr/>
		223,621	226,642
		<hr/>	<hr/>
NET PROFIT/(LOSS)		(30,689)	15,694
		<hr/> <hr/>	<hr/> <hr/>



These Statements should be read in conjunction with the  
Notes and Audit Report of Armada Accountants & Advisors

**UNION OF CHRISTMAS ISLAND WORKERS**  
**STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2018**

		<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
	Notes		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members & Donors		170,239	218,649
Payments to Suppliers and Employees		(212,641)	(232,954)
Interest Received		717	1,145
Rental Income Received		21,000	21,100
Other Income		976	1,442
Net cash provided by (used in) Operating Activities	8	(19,709)	9,382
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disposal of Plant & Equipment	3	-	378
Improvement	3	-	-
Net cash provided by (used in) Investing Activities		-	378
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowings – TLC Building		-	-
Net cash provided by (used in) Financing Activities		-	-
Net increase/(decrease) in cash held		(19,709)	9,760
Cash at 31 December 2017		84,244	74,485
Cash at 31 December 2018	8	64,535	84,244



These Statements should be read in conjunction with the  
Notes and Audit Report of Armada Accountants & Advisors

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UNION OF CHRISTMAS ISLAND WORKERS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 is no other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.



## 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 re-measurement 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.

## De-recognition 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:

	<b>2018</b>	2017
Land & buildings	-	-
Plant and equipment	<b>15-50%</b>	15-50%
Motor Vehicle	-	22.5%
Improvement	<b>4%</b>	4%

## 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 term of the fair value hierarchy as required by AASB 13.



## Notes to the financial statements

### Note 2 Provisions

	2018	2017
<b>Office Holders:</b>		
Annual leave	32,510	34,109
Long service leave	31,105	37,325
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>63,615</b>	<b>71,434</b>
<b>Employees other than office holders:</b>		
Annual leave	4,356	4,967
Long service leave	134	703
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>4,490</b>	<b>5,670</b>
<b>Total employee provisions</b>	<b>68,105</b>	<b>77,104</b>
Current	68,105	77,104
Non-Current	-	-
<b>Total employee provisions</b>	<b>68,105</b>	<b>77,104</b>

### Note 3 Property, Plant and Equipment

	Plant and Equipment	Motor Vehicles	Land and Buildings	Improvement	Total
at cost	43,299	-	50,444	28,171	121,913
accumulated depreciation	(26,436)	-	-	(2,802)	(29,237)
<b>Total plant and Equipment</b>	<b>16,863</b>	<b>-</b>	<b>50,444</b>	<b>25,369</b>	<b>92,676</b>

#### Reconciliation of the opening and closing balances of property, improvement, motor vehicle and plant and equipment

##### As at 1 January 2018

Cost	19,015	-	50,444	26,496	95,956
Accumulated depreciation and impairment	-	-	-	-	-

##### Net book value 1 January 2019

Additions:					
By purchase /expense	-	-	-	-	-
From acquisition of entities (including					



restructuring)					
Impairments	-	-	-	-	-
Depreciation expense	2,152	-	-	1,127	3,279
Disposals:	-	-	-	-	-
<b>Net book value 31 December 2018</b>	16,863	-	50,444	25,369	92,676
<b>Net book value as of 31 December 2018 represented by:</b>					
Cost	43,299	-	50,444	28,171	121,914
Accumulated depreciation and impairment	(26,436)	-	-	(2,802)	(29,238)
<b>Net book value 31 December 2018</b>	16,863	-	50,444	25,369	92,676

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

<b>Value of the services provided</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Financial statement audit services	7,700	6,330
Other services	300	1,970
<b>Total remuneration of auditors</b>	<b>8,000</b>	<b>8,300</b>

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

- Annual Review fees of the Company Annual Statement, including appropriate Directors' Solvency Resolution.

#### Note 5 Affiliation fees

	<b>2018</b>	<b>2017</b>
Unions WA	2,265	2,190
A.C.T.U	2,328	2,265
Australia Asia Worker	-	-
Society Study Labour	50	50
<b>Total affiliation fees/subscriptions</b>	<b>4,643</b>	<b>4,505</b>



**Note 6 Grants or donations**

	2018	2017
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

**Note 7 Employee expenses**

	2018	2017
<b>Holders of office:</b>		
Wages and salaries	122,497	116,771
Superannuation	19,170	18,506
Leave and other entitlements	(7,819)	9,238
Separation and redundancies	-	-
Other employee expenses	4,728	2,916
<b>Subtotal employee expenses holders of office</b>	138,577	147,431
<b>Employees other than office holders:</b>		
Wages and salaries	31,143	25,858
Superannuation	4,855	4,120
Leave and other entitlements	(1,181)	(1,191)
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	34,817	28,787
<b>Total employee expenses</b>	173,394	176,218

**Note 8 Cash flow reconciliation**  
**Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:**

<b>Cash and cash equivalents as per:</b>		
Cash flow statement	64,535	84,244
Balance sheet	64,535	84,244
<b>Difference</b>	0	0





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

Profit/(deficit) for the year	(30,689)	15,694
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**Adjustments for non-cash items**

Depreciation/amortisation	3,279	3,663
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Loss on disposal of assets	-	-

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	14,569	(14,889)
(Increase)/decrease in prepayments	-	2,803
Increase/(decrease) in supplier payables	-	-
Increase/(decrease) in other payables	2,131	(5,937)
Increase/(decrease) in employee provisions	(8,999)	8,048
Increase/(decrease) in other provisions	-	-

**Net cash from (used by) operating activities**

(19,709)	9,382
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**Cash flow information**

Cash inflows	192,932	242,336
<b>Total cash inflows</b>	<b>192,932</b>	<b>242,336</b>

Cash outflows	212,641	232,954
<b>Total cash outflows</b>	<b>212,641</b>	<b>232,954</b>

**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

	2018	2017
Cash and cash equivalents	64,535	84,244
<b><i>Carrying amount of financial assets</i></b>	<b>64,535</b>	<b>84,244</b>

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

## Financial liabilities

PAYG Withholding:	7,958	8,036
Superannuation payable	5,691	3,480
<b><i>Carrying amount of financial liabilities</i></b>	<b>13,649</b>	<b>11,516</b>

## 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 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
<b>Financial Assets</b>				
Cash and cash equivalents	<b>64,535</b>	64,535	<b>84,244</b>	84,244
<b>Financial Liabilities</b>				
PAYG Withholding	<b>7,958</b>	7,958	<b>8,036</b>	8,036
Superannuation payable	<b>5,691</b>	5,691	<b>3,480</b>	3,480

#### **Note 11 Membership Fees Received**

The Fees Received in Year 2017 of \$ 214,849 was recorded under Accrual Basis Accounting. This includes \$32,139 of Fees Receivable as of 31/12/2017.

The Fees Received in Year 2018 of \$155,664 was recorded under Accrual Basis Accounting. This includes \$17,572 of Fees Receivable as of 31/12/2018.

#### **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 2018, 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.

#### **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      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 Commissioner:

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



# UNION OF CHRISTMAS ISLAND WORKERS

## Accounting Depreciation Report - Detailed

Period 1/01/2018 to 31/12/2018

Page 1 of 1

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.
<b>670</b>	<b>Plant &amp; Equipment - at Cost</b>									
01	Industrial Library		01/07/1995	9,850	256	-	-	15.00 D	38	218
05	Desks (2)		01/07/1995	200	-	-	-	20.00 D	-	-
06	Tables (3)		01/07/1995	400	2	-	-	20.00 D	1	1
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	1	-	-	20.00 D	1	-
11	Filing Cabinets		01/07/1995	300	1	-	-	20.00 D	1	-
12	Lounge Suite Set		01/07/1995	100	-	-	-	20.00 D	-	-
13	Paintings		01/07/1995	500	157	-	-	5.00 D	8	149
19	UCIW - Plaque & Flag		01/07/1995	1,000	93	-	-	10.00 D	9	84
33	Aircon		26/07/2007	600	110	-	-	15.00 D	17	93
34	Aircon		01/01/2007	1,835	307	-	-	15.00 D	46	261
38	Fridge		05/04/2012	1,100	387	-	-	16.67 D	65	322
39	Aircon		25/07/2014	2,920	1,364	-	-	20.00 D	273	1,091
40	Solar Power Panels		18/09/2014	22,700	16,072	-	-	10.00 D	1,607	14,465
41	Computer		16/04/2014	995	80	-	-	50.00 D	40	40
42	Telephone		01/10/2015	199	104	-	-	25.00 D	26	78
43	Fax Machine		04/11/2015	150	81	-	-	25.00 D	20	61
				43,299	19,015	0	0		2,152	16,863
<b>672</b>	<b>Improvement at cost</b>									
44	Tiling		07/07/2016	25,200	23,700	-	-	4.00 P	1,008	22,692
45	Toilet		12/07/2016	2,971	2,796	-	-	4.00 P	119	2,677
				28,171	26,496	0	0		1,127	25,369
<b>TOTAL</b>				<b>71,470</b>	<b>45,511</b>	<b>0</b>	<b>0</b>		<b>3,279</b>	<b>42,232</b>

Notes:

- Assets allocated to taxation pools are not included in this report.
- Where a taxation pool is set up refer to the relevant pool schedule report for details of decline in value for the pool.
- 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.
- 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.
- 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





17 June 2019

Gordon Thomson  
General Secretary  
Union of Christmas Island Workers  
Sent via email: [uciw@uciw.cx](mailto:uciw@uciw.cx)

Dear Gordon Thomson,

**Lodgement of Financial Report - Reminder to lodge**

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Union of Christmas Island Workers (the reporting unit) ended on the 31 December 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au). That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on 1300 341 665 or via email at [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**



21 January 2019

Mr Gordon Thomson  
General Secretary  
Union of Christmas Island Workers  
By Email: [uciw@pulau.cx](mailto:uciw@pulau.cx)

Dear Mr Thomson,

**Re: Lodgement of Financial Report - [FR2018/317]  
*Fair Work (Registered Organisations) Act 2009* (the RO Act)**

The financial year of the Union of Christmas Island Workers (the reporting unit) ended on 31 December 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 31 March 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 June 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

GPO Box 2983, Melbourne VIC 3001  
Telephone: 1300 341 665 | Email: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)  
Website: [www.roc.gov.au](http://www.roc.gov.au)

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Subsection 255(2A) report**

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**



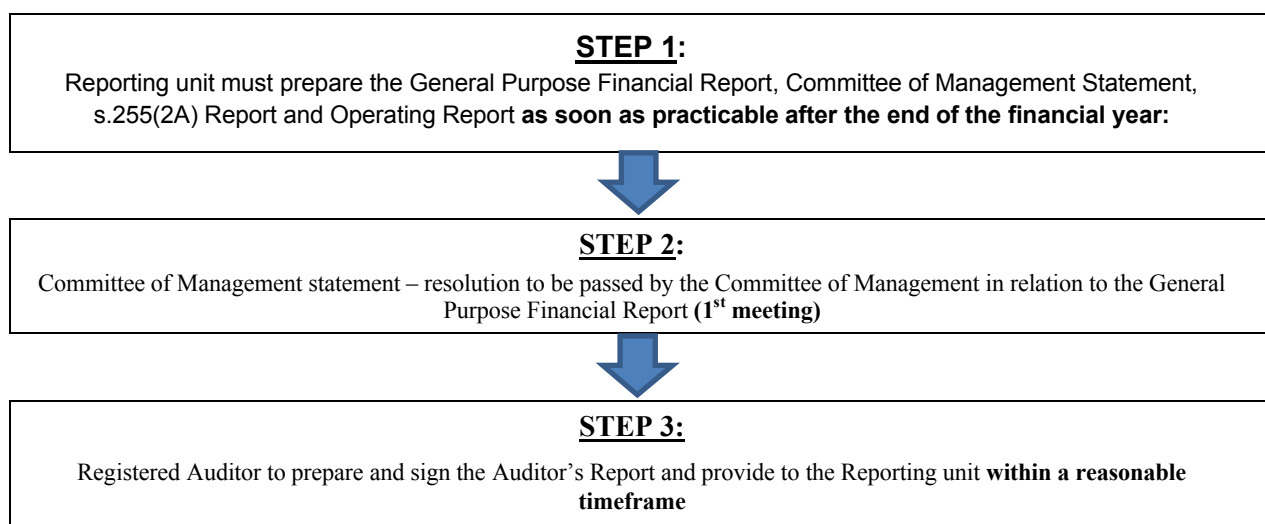


## Fact sheet

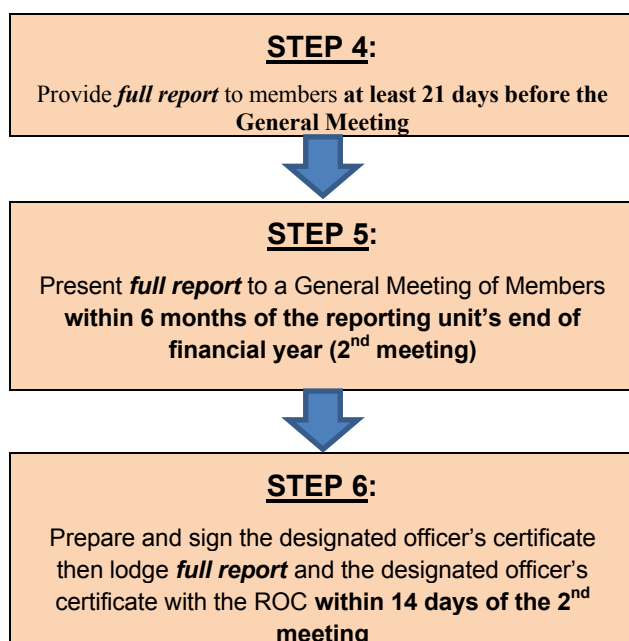
### Summary of financial reporting timelines – s.253 financial reports

#### General Information:

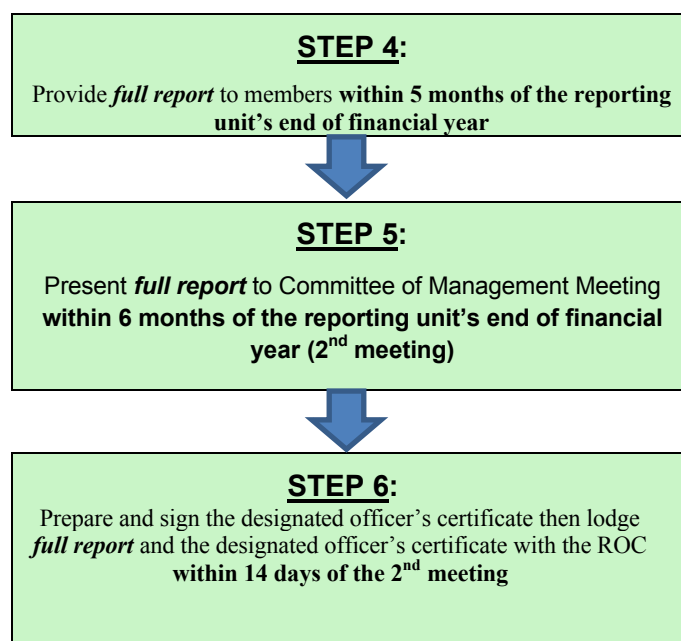
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT  
**AT GENERAL MEETING OF MEMBERS**  
(this is the default process in the RO Act)





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT  
**COMMITTEE OF MANAGEMENT MEETING**  
(Special rules must be in the rulebook to use this process)



## Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
 The Committee of Management statement is just copied from the Reporting Guidelines	 The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report  Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
 The Auditor's Report does not need to be signed until just before it is lodged with the ROC	 The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
 The Designated Officer's Certificate must be signed before the report is sent to members	 The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
 Documents can be dated when they should have been signed or when the events in the document occurred	 Documents must always be dated at the date they are actually signed by an officer or auditor
 Any auditor can audit a financial report	 Only registered auditors can audit the financial report
 The Committee of Management statement can be signed at any time	 The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
 Any reporting unit can present the Full Report to a second COM meeting	 Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
 Everything can be done at one Committee of Management meeting	 If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
 The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	 The reporting unit must lodge the financial report within 14 days of the second meeting

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



## **Fact sheet**

### **Loans, Grants & Donations**

#### **The Loans, Grants & Donations Requirements**

The Fair Work (Registered Organisations) Act 2009 (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within 90 days of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### **The Loans, Grants & Donations Statement**

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
✗ Only reporting units must lodge the Statement.	✓ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
✗ Employees can sign the Statement.	✓ The statement must be signed by an elected officer of the relevant branch.
✗ Statements can be lodged with the financial report.	✓ The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 14(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

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

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, even if the figures are NIL.

## Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

## Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

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