



FAIR WORK
AUSTRALIA

2 July 2012

Mr Gordon Thomson
General Secretary
Union of Christmas Island Workers

email: uciw@pulau.cx

Dear Mr Thomson

Re: Financial Report for the Union of Christmas Island Workers for the year ended 31 December 2011 - FR2011/2907

I acknowledge receipt of the financial report for the Union of Christmas Island Workers (Union) for the year ended 31 December 2011. The report was lodged with Fair Work Australia on 29 May 2012.

The financial report has now been filed.

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

Auditor's report: emphasis of matter regarding going concern

I note that the Auditor's Report emphasises that the union made a loss of \$63,553 and advises that the Committee needs to address the cash flow for 2012 to ensure its ongoing solvency.

I remind the officers of the union of their duties under section 285 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) in relation to the financial management of the union. Section 285 requires officers to exercise their powers and discharge their duties with care and diligence (this is a civil penalty provision). It is incumbent on the officers of the union to take appropriate steps to address cash flows for 2012 and future years.

Section 287 of the RO Act also provides that an officer of an organisation must not improperly use his or her position to gain an advantage for himself or herself or someone else or cause detriment to the organisation or to another person.

Key Management Compensation

Item 17 of AASB 101 requires an entity to disclose key management personnel compensation in total including short-term employee benefits; other long-term benefits; termination benefits; and share-based payment. In the future please ensure that provision is made for these items of compensation in the Union's financial report.

Summary of Accounting Policies

Item 18 at paragraph 35 of the Australian Accounting Standards (AASB) requires the disclosure of the accounting policies adopted for the recognition of revenue.

While the notes to the financial statements provide for a general accounting policy, I cannot locate a policy regarding the recognition of revenue specifically or a policy for recognition of employee benefits. Please ensure that financial reports include clear disclosure of the accounting policies adopted for these purposes.

The notes also refer to outdated accounting standards (for example, AAS 1 & 4). In future years please ensure that the current accounting standards are referred to in the notes to the financial report (for example, AASB 101).

Copies of full report to be provided to members

Section 265(5) of the RO Act provides that a copy of the full report or concise report is to be provided to members at least 21 days before the General Meeting. However, the designated officer's certificate provides that the full report was provided to members on 14 May 2012 and that the full report was presented to a general meeting of members on 28 May 2012.

In future years please ensure that the full report is provided to members *at least* 21 days before it is provided to the General Meeting.

Accounts need to include Notice which sets out sections 272(1), (2) & (3)

There should be included in the accounts a notice drawing attention to the fact that prescribed information is available to members on request. This requirement is set out in subsection 272(5) of the RO Act, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (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 to the reporting unit.*
- (3) A reporting unit must comply with an application made under subsection (1).*

This information should be set out in the Notes to the Accounts.

Employee Benefits

Item 14(c) and (d) of the Reporting Guidelines require either the balance sheet or the notes to disclose any liability for employee benefits in respect of office holders and other employees. The balance sheet discloses these liabilities but does not distinguish between provisions for office holders and other employees. In future years please ensure that provisions for office holders and other employees are disclosed

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7988.

Yours sincerely

A handwritten signature in black ink that reads "Libby Kirby". The signature is written in a cursive, flowing style.

Libby Kirby
Organisations, Research and Advice
Fair Work Australia
Tel: 03 8661 7988

Email: elizabeth.kirby@fwa.gov.au

CERTIFICATE OF GENERAL SECRETARY

FOR THE YEAR ENDED 31 DECEMBER 2011

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, referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members on 14 May 2012; and
- that the report was presented to the general meeting of members of the Union held on 28 May 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



GORDON SINCLAIR THOMSON

GENERAL SECRETARY

For and on behalf of Union of Christmas Island Workers

Dated: 29 May 2012



UNION OF CHRISTMAS ISLAND WORKERS

FOR THE YEAR ENDED 31 DECEMBER 2011

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Union of Christmas Island Workers

Scope

We have audited the financial report set out on pages 3 to 17 for the year ended 31 December 2011. 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 (Urgent Issues Group Consensus Views) 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.

Mount Lawley Office

3 Alvan Street, Mount Lawley WA 6050

Postal address

PO Box 42, Mount Lawley WA 6929

T : (08) 9272 8611

F : (08) 9272 3509

E : info@abbottsolutions.com.au

W : www.abbottsolutions.com.au

Port Hedland Office

15 Edgar Street, Port Hedland WA 6721

Postal address

PO Box 149, Port Hedland WA 6721

T : (08) 9173 2944

F : (08) 9173 5557

E : info@abbottsolutions.com.au

W : www.abbottsolutions.com.au

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 2010 figures show that the Union was solvent with a profit of \$28,711.
The 2011 figures show the Union made a loss of \$63,553. The Committee needs to address the cash flow for 2012 as soon as possible to ensure the solvency of the Union going forward.

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

Notes

The 2011 source documents were provided very late and this has impacted on the preparation of the accounts delivery of the Audit Report in a timely fashion. It is suggested going forward that the books be completed to December each year by the end of January so the Accounts can be prepared and the Audit can take place during the Auditors trip to Christmas Island in February each year as has been done in past years.

ABBOTT SOLUTIONS



S C OUTTRIM CPA
APPROVED AUDITOR

DATE: 13 May 2012



OPERATING REPORT FOR YEAR ENDED 31 DECEMBER 2011

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 covered by 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 member;



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 331.

Number of Employees



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

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)
KAYE, Bernard (General Secretary)
LOW, Jeffrey (Trustee)
DE CRUZ, Ronald Edward (Trustee)
KOH, Nora (Vice President)
LEE, Kelvin Kok Bin (Vice President)
HASINUDIN, Nurashikin Mohd (Committee Member)
JOHARI, Shahfik Mohd (Committee Member)
NG, Hooi Hock (Committee Member)
SAW, Chang Siew (Committee Member)
TAN, Chee Seong (Committee Member)
TEO, Philip (Committee Member)



GORDON THOMSON

DATED: 8 May 2012



UNION OF CHRISTMAS ISLAND WORKERS

GENERAL SECRETARY'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

In my opinion the accompanying accounts as set out on pages 9 to 17:-

- (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 2011 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 is 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 May 2012



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 8 May 2012 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 2011:

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 Fair Work Australia;
- 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; and
 - ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation; 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 the General Manager of Fair Work Australia 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 Fair Work Australia 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 May 2012

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 2011



UNION OF CHRISTMAS ISLAND WORKERS
BALANCE SHEET AS AT 31 DECEMBER 2011

	CURRENT	PRIOR
	\$	\$
MEMBERS FUNDS	3,894	67,447
	3,894	67,447
Represented by -		
CURRENT ASSETS		
Cash at Bank		
Westpac Bank	20,387	84,039
Sundry Debtors - ATO	1,488	1,488
	21,875	85,527
CURRENT LIABILITIES		
Provision for PAYG Withholding	8,810	9,529
Provision for Annual Leave	30,042	31,371
Provision for Long Service Leave	34,830	33,320
	73,682	74,220
WORKING CAPITAL/(DEFICIENCY)	(51,807)	11,307
NON-CURRENT ASSETS		
Land & Buildings - at Cost	50,443	50,443
Plant & Equipment - at Cost	27,510	26,843
Accumulated Depreciation	(23,786)	(23,125)
	3,724	3,718

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



UNION OF CHRISTMAS ISLAND WORKERS
BALANCE SHEET AS AT 31 DECEMBER 2011

	CURRENT	PRIOR
	\$	\$
Motor Vehicles - at Cost	26,088	26,088
Accumulated Depreciation	(24,554)	(24,109)
	<hr/> 1,534	<hr/> 1,979
	<hr/> 5,258	<hr/> 5,697
Total Non - Current Assets	<hr/> 55,701	<hr/> 56,140
	<hr/> 3,894	<hr/> 67,447
EXCESS OF ASSETS OVER LIABILITIES	<hr/> 3,894	<hr/> 67,447
	<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
MEMBERS FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	CURRENT	PRIOR
	\$	\$
Opening Balance	67,447	38,736
Net Loss/(Profit)	63,553	(28,711)
	<hr/>	<hr/>
	3,894	67,447
	<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
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	CURRENT	PRIOR
	\$	\$
INCOME		
Donations Received	12,480	63,700
Interest Received	204	254
Rent Income	18,700	18,150
Membership Fees Received	159,651	131,286
Miscellaneous Income	2,590	900
Employee Entitlement - Annual Leave	1,329	5,889
	194,954	220,179
EXPENDITURE		
Accounting & Audit Fees	4,555	4,585
Affiliation Fees	3,099	3,496
Bank Charges	29	62
Bookkeeping Fees	1,243	1,386
Cleaning	964	661
Depreciation	1,106	1,412
Donations - Other	700	200
Electricity	3,196	2,463
Entertainment	2,690	613
Fees & Licences	352	212
Fringe Benefits Tax	525	936
Insurance	2,653	3,629
Internet & Service Fees	769	828
Long Service Leave Expense	1,510	10,190
Motor Vehicle		
Fuel & Oil	3,240	1,802
Repairs & Maintenance	3,188	3,547
Registration	1,033	501
	7,461	5,850

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



UNION OF CHRISTMAS ISLAND WORKERS
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

Printing, Stationery & Stamps	3719	1,766
Rates & Taxes	3,098	2,298
Repairs & Maintenance	2,174	285
Staff Amenities	0	624
Staff Training	0	100
Sundry Expenses	196	335
Staff Accommodation	13,962	-
Staff Airfares	1,040	5,943
Superannuation	29,974	23,636
Telephone	3,733	2,519
Union Day Expenses	12,345	11,113
Wages - Employees	16,841	33,117
Wages - Elected Officials	140,573	73,208
	<hr/>	<hr/>
	258,507	191,468
	<hr/>	<hr/>
NET PROFIT/(LOSS)	(63,553)	28,711
	<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 2011

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members & Donors	172,131	194,986
Payments to Suppliers and Employees	(257,276)	(184,609)
Interest Received	204	254
Rental Income Received	18,700	18,150
Consultancy Income	-	-
Dividend Received – TLC Building Society	-	-
Management Fees – IOS	-	-
Other Income	2,590	6,789
	<hr/>	<hr/>
Net cash provided by (used in) Operating Activities	(63,651)	35,570
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Plant & Equipment	-	-
	<hr/>	<hr/>
Net cash provided by (used in) Investing Activities	-	-
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Borrowings – TLC Building		(0)
	<hr/>	<hr/>
Net cash provided by (used in) Financing Activities		(0)
	<hr/>	<hr/>
Net increase/(decrease) in cash held	(63,651)	35,570
Cash at 31 December 2010	84,039	48,469
Cash at 31 December 2011	<hr/>	<hr/>
	20,388	84,039



UNION OF CHRISTMAS ISLAND WORKERS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

These financial statements are a general purpose financial report prepared in order to satisfy the requirements of the Union to prepare financial accounts. The Union is a reporting entity and therefore is required to apply the Australian Accounting Standards

The statements have been prepared in accordance with the requirements of the following Accounting Standards and other mandatory professional reporting requirements:

AAS 1 Profit and Loss or other Operating Statements

AAS 4 Depreciation of Non-Current Assets

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.



UNION OF CHRISTMAS ISLAND WORKERS

Taxation Depreciation Report - Detailed

Period 01/01/2011 to 31/12/2011

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	795	-	-	15.00 D	119	676
05	Desks (2)		01/07/1995	200	6	-	-	20.00 D	1	5
06	Tables (3)		01/07/1995	400	12	-	-	20.00 D	2	10
08	Carpet		01/07/1995	100	3	-	-	20.00 D	1	2
09	Coffee Table		01/07/1995	50	-	-	-	20.00 D	-	-
10	Chairs		01/07/1995	300	9	-	-	20.00 D	2	7
11	Filing Cabinets		01/07/1995	300	9	-	-	20.00 D	2	7
12	Lounge Suite Set		01/07/1995	100	3	-	-	20.00 D	1	2
13	Paintings		01/07/1995	500	225	-	-	5.00 D	11	214
16	Refrigerator		01/07/1995	100	3	-	-	20.00 D	1	2
19	UCIW - Plaque & Flag		01/07/1995	1,000	195	-	-	10.00 D	20	175
21	Photocopier		11/11/1997	3,523	80	-	-	25.00 D	20	60
24	2 Air Conditioners		08/03/2000	1,680	75	-	-	25.00 D	19	56
28	Vacuum Cleaner		27/11/2003	205	42	-	-	20.00 D	8	34
30	Air Conditioner		20/07/2005	1,000	655	-	-	7.50 D	49	606
32	Computer & Printer		03/12/2006	5,100	305	-	-	50.00 D	153	152
33	Aircon		26/07/2007	600	344	-	-	15.00 D	52	292
34	Aircon		01/01/2007	1,835	957	-	-	15.00 D	144	813
35	HP Printer		11/02/2011	109	-	109	-	50.00 D	48	61
36	HP Compaq Computer		22/12/2011	558	-	558	-	50.00 D	8	550
				<u>27,510</u>	<u>3,718</u>	<u>667</u>	<u>0</u>		<u>661</u>	<u>3,724</u>
676	Motor Vehicles - at Cost									
27	Toyota Rav4 car		15/11/2000	26,088	1,979	-	-	22.50 D	445	1,534
37	Toyota Rav 4 (Donated)		10/01/2011	-	-	-	-	0.00 D	-	-
				<u>26,088</u>	<u>1,979</u>	<u>0</u>	<u>0</u>		<u>445</u>	<u>1,534</u>
TOTAL				<u>53,598</u>	<u>5,697</u>	<u>667</u>	<u>0</u>		<u>1,106</u>	<u>5,258</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.

