



17 July 2018

Mr Gordon Thomson
General Secretary,
Union of Christmas Island Workers

Dear Mr Thomson

Re: – Union of Christmas Island Workers - financial report for year ending 31 December 2017 (FR2017/311)

I refer to the financial report of the Union of Christmas Island Workers. The documents were lodged with the Registered Organisations Commission ('ROC') on 29 June 2018.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in respect of the report lodged. However I make the following comment to assist you when preparing the next report. Please note the report for year ending 31 December 2018 may be subject to an advanced compliance review.

Notice setting out sections 272(1), (2) & (3)

The report includes this notice twice, at Notes 15 and 16. Note 15 is unnecessary. In addition, the notice does not correctly replicate the wording in sub-section 272(1) in the current version of the RO Act. The reference to "*General Manager of Fair Work Australia*" should be simply a reference to "the Commissioner". Please rectify this in next year's report.

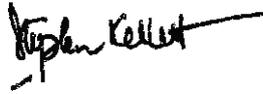
Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website and any further information or updates on the guidelines will be provided through the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 31 December 2017

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 2018 and
- that the full report was presented to a general meeting of members of the reporting unit on 28 June 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Gordon Thomson

Title of prescribed designated officer: General Secretary

Dated: 29 June 2018

¹ 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 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2017, 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 2017 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 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

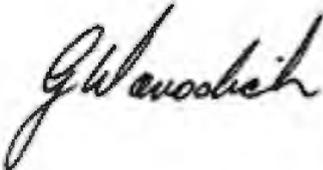
Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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 2018



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

Operating Report for the year ended 31 December 2017

The Committee of Management presents its operating report on the Reporting Unit for the year ended 31 December 2017.

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 312.



The number of un-financial members as at 31/12/2017 was 58.

Number of Employees

s.254(2)(f)

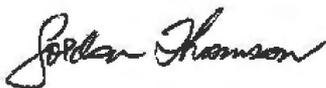
The number of persons who were, at the end of the reporting period, employees of the Union was 3.

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 01/01/2017-31/12/2017)
LEE, Kelvin Kok Bin (Vice President 01/01/2017-31/12/2017)
KOH, Nora (Vice President 01/01/2017-30/12/2017)
THOMSON, Gordon (General Secretary 01/01/2017-31/12/2017)
LOW, Jeffrey (Trustee 01/01/2017-31/12/2017)
DE CRUZ, Ronald Edward (Trustee 01/01/2017-31/12/2017)
NG, Hooi Hock (Committee Member 01/01/2017-31/12/2017)
SAW, Cheng Siew (Committee Member 01/01/2017-31/12/2017)
SU, Zhong Xiong (Committee Member 01/01/2017-31/12/2017)
MASLI, Hafiz (Committee Member 01/01/2017-31/12/2017)



Gordon Thomson
General Secretary

DATED: 30 April 2018



Committee of Management Statement for the year ended 31 December 2017

On 30 April 2018 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 2017.

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

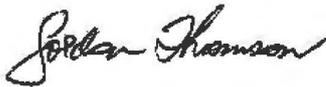


with each of the other reporting units of the organisation;
and

- (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
30 April 2018

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 2017



UNION OF CHRISTMAS ISLAND WORKERS
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

		2017	2016
		\$	\$
MEMBERS FUNDS	Notes	123,719	108,025
Represented by -			
CURRENT ASSETS			
Cash at Bank			
Westpac Bank		55,401	46,741
Westpac Term Deposit		28,843	27,744
Debtors – Membership Fees		32,139	17,250
Sundry Debtors - ATO		-	93
Wages Paid in Advance		-	2,710
		116,383	94,538
CURRENT LIABILITIES			
Provision for PAYG Withholding		8,036	3,522
Superannuation Payable		3,480	13,931
Membership Deduction Employer payables		-	-
Payable in respect of legal costs		-	-
Provision for Annual Leave	2	39,076	34,163
Provision for Long Service Leave	2	38,028	34,893
		88,620	86,510
WORKING CAPITAL/(DEFICIENCY)		27,763	8,028
NON-CURRENT ASSETS			
Property Plant and Equipment	3	95,956	99,997
Total Non - Current Assets		95,956	99,997
NON-CURRENT LIABILITIES			
		-	-
EXCESS OF ASSETS OVER LIABILITIES		123,719	108,025

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 2017

	Notes	2017	2016
		\$	\$
Opening Balance		108,025	91,989
Net Profit/(Loss)		15,694	16,036
		123,719	108,025
		123,719	108,025

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 2017

		2017	2016
		\$	\$
REVENUE	Notes		
Compulsory levies		-	-
Donations Received		3,700	52,133
Interest Received		1,145	875
Workers Compensation Received			
Rent Income		21,100	20,900
Membership Fees Received	11	214,849	165,392
Miscellaneous Income		1,320	938
Sale of Fixed Asset		122	-
		242,336	240,239
TOTAL REVENUE			
EXPENDITURE			
Accounting Fees	4	1,970	1,650
Audit Fees	4	6,330	6,620
Advertising & Promotion		-	-
Affiliation Fees	5	4,505	4,433
Bank Charges		-	1
Bookkeeping Fees		3,320	4,480
Cleaning		723	363
Compulsory Levies Imposed		-	-
Computer Requisites		-	-
Depreciation	3	3,663	3,582
Donations - Other	6	0	200
Electricity		35	335
Entertainment		-	-
Fees & Licences		319	385
Fringe Benefits Tax		-	(1,677)
Insurance		4,579	4,632
Internet & Service Fees		211	887
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 2017

	Notes	2017	2016
		\$	\$
Membership deduction employer costs		-	-
Motor Vehicle			
Fuel & Oil		908	2,004
Repairs & Maintenance		250	-
Registration		-	974
Car Hire		-	1,145
		1,158	4,123
Printing, Stationery & Stamps		718	2,285
Rates & Taxes		4,306	4,109
Repairs & Maintenance		0	1,102
Sundry Expenses		1,200	2,000
Subscription Fees		850	-
Staff Amenities		164	143
Employee expenses	7	176,218	170,775
Telephone		2,222	3,455
Translation Fees		-	-
Union Day Expenses		10,892	10,320
Legal Costs		-	-
Penalties imposed under the RO Act		-	-
		226,642	224,203
NET PROFIT/(LOSS)		15,694	16,036

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 2017

		2017	2016
		\$	\$
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members & Donors		218,649	217,525
Payments to Suppliers and Employees		(232,954)	(217,497)
Interest Received		1,145	875
Rental Income Received		21,100	20,900
Other Income		1,442	938
Net cash provided by (used in) Operating Activities	8	9,382	22,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of Plant & Equipment	3	378	-
Improvement	3	-	(28,171)
Net cash provided by (used in) Investing Activities		378	(28,171)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings – TLC Building		-	-
Net cash provided by (used in) Financing Activities		-	-
Net increase/(decrease) in cash held		9,760	(5,430)
Cash at 31 December 2016		74,485	79,915
Cash at 31 December 2017	8	84,244	74,485

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



Index to the Notes of the Financial Statements

- Note 1 Summary of Significant Accounting Policies
- Note 2 Provisions
- Note 3 Property, Plant and Equipment
- Note 4 Remuneration of Auditors
- Note 5 Affiliation Fees
- Note 6 Grants or donations
- Note 7 Employee expenses
- Note 8 Cash flow
- Note 9 Financial Instruments
- Note 10 Fair value measurement
- Note 11 Fees Received
- Note 12 Related party disclosure
- Note 13 Events after the reporting date
- Note 14 Going Concern
- Note 15 Prescribed Information is available to members on request
- Note 16 Section 272 *Fair Work (Registered Organisations) Act 2009*



UNION OF CHRISTMAS ISLAND WORKERS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	2017	2016
Land & buildings	-	-
Plant and equipment	15-50%	15-50%
Motor Vehicle	22.5%	22.5%
Improvement	4%	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

	2017	2016
Office Holders:		
Annual leave	34,109	29,169
Long service leave	37,325	33,026
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions— office holders	71,434	62,195
Employees other than office holders:		
Annual leave	4,967	4,994
Long service leave	703	1,868
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions— employees other than office holders	5,670	6,862
Total employee provisions	77,104	69,056
Current	77,104	69,056
Non-Current	-	-
Total employee provisions	77,104	69,056

Note 3 Property, Plant and Equipment

	Plant and Equipment	Motor Vehicles	Land and Buildings	Improvem ent	Total
at cost	43,299	0	50,444	28,171	121,914
accumulated depreciation	(24,284)	0	-	(1,675)	(25,959)
Total plant and Equipment	19,015	0	50,444	26,496	95,956

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

As at 1 January 2017					
Cost	43,299	26,088	50,444	28,171	148,002
Accumulated depreciation and impairment	21,799	25,659	-	548	48,006
Net book value 1 January 2017	21,500	429	50,444	27,623	99,997
Additions:					
By purchase /expense	-	-	-	-	-
From acquisition of entities (including restructuring)					



Impairments	-	-	-	-	-
Depreciation expense	2,485	51	-	1,127	3,663
Disposals:	-	378	-	-	378
Net book value 31 December 2017	19,012	-	50,444	26,496	95,956
Net book value as of 31 December 2017 represented by:					
Cost	43,299	26,088	50,444	28,171	148,002
Accumulated depreciation and impairment	(24,284)	(26,088)	-	(1,675)	(52,047)
Net book value 31 December 2017	19,015	0	50,444	26,496	95,956

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

Note 4 Remuneration of Auditors

Value of the services provided	2017	2016
	\$	\$
Financial statement audit services	6,330	6,620
Other services	1,970	1,650
Total remuneration of auditors	8,300	8,270

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

- Annual Review fees of the Company Annual Statement, including appropriate Directors' Solvency Resolution.
- Review of MYOB records for the year ended 31st December 2017
- Preparation and lodgment of Fringe Benefits Tax Return for the year ended 31 March 2017.

Note 5 Affiliation fees

	2017	2016
Unions WA	2,190	1,788
A.C.T.U	2,265	2,195
Australia Asia Worker	-	400
Society Study Labour	50	50
Total affiliation fees/subscriptions	4,505	4,433



Note 6 Grants or donations

	2017	2016
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	200
Total paid that exceeded \$1,000	-	-
Total grants or donations	<u>-</u>	<u>200</u>

Note 7 Employee expenses

	2017	2016
Holders of office:		
Wages and salaries	116,771	129,179
Superannuation	18,506	20,544
Leave and other entitlements	9,238	(23,207)
Separation and redundancies	-	-
Other employee expenses	2,916	1,250
Subtotal employee expenses holders of office	<u>147,431</u>	<u>127,766</u>
Employees other than office holders:		
Wages and salaries	25,858	37,394
Superannuation	4,120	6,154
Leave and other entitlements	(1,191)	(539)
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>28,787</u>	<u>43,009</u>
Total employee expenses	<u><u>176,218</u></u>	<u><u>170,775</u></u>

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

Cash flow statement	84,244	74,485
Balance sheet	84,244	74,485
Difference	<u>0</u>	<u>0</u>

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

Profit/(deficit) for the year	15,694	16,036
-------------------------------	--------	--------



Adjustments for non-cash items

Depreciation/amortisation	3,663	3,582
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	(14,889)	22,664
(Increase)/decrease in prepayments	2,803	(2,803)
Increase/(decrease) in supplier payables	-	-
Increase/(decrease) in other payables	(5,937)	7,009
Increase/(decrease) in employee provisions	8,048	(23,747)
Increase/(decrease) in other provisions	-	-

Net cash from (used by) operating activities

9,382	22,741
-------	--------

Cash flow information

Cash inflows	242,336	240,238
Total cash inflows	242,336	240,238

Cash outflows	232,954	217,497
Total cash outflows	232,954	217,497

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**

	2017	2016
Cash and cash equivalents	84,244	74,485
Carrying amount of financial assets	84,244	74,485



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

Financial liabilities

PAYG Withholding:	8,036	3,522
Superannuation payable	3,480	13,931
<i>Carrying amount of financial liabilities</i>	11,516	17,453

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 2017	Fair value 2017	Carrying amount 2016	Fair value 2016
Financial Assets				
Cash and cash equivalents	84,244	84,244	74,485	74,485



Financial Liabilities

PAYG Withholding	8,036	8,036	3,522	3,522
Superannuation payable	3,480	3,480	13,931	13,931

Note 11 Membership Fees Received

The Fees Received in Year 2016 of \$ 165,392 was recorded under Accrual Basis Accounting. This includes \$17,250 of Fees Receivable as of 31/12/2016.

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.

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 2017, 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 it's debts as and when they become due and payable and will continue operations in the next 12 months.

Note 15 Prescribed Information Is Available To Members on Request



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

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

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

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



