



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Craig Smith
Secretary, New South Wales Branch
Forestry & Forest, Bulding Products Manufacturing Division,
Construction, Forestry, Mining and Energy Union
PO Box Q694
QVB PO SYDNEY NSW 1230

Dear Mr Smith

**Re: New South Wales Branch, Forestry & Forest, Bulding Products Manufacturing Division,
Construction, Forestry, Mining and Energy Union - Outstanding Financial Documents -
*Workplace Relations Act 1996***

There is no record of lodgment in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 December 2001.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgment of the required documents would, in the normal course, be expected before now.

Therefore, I request your written advice **by Friday 1 November 2002** as to when each of the following steps is expected to be completed:-

1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)
5. lodgment of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified.

If you wish to discuss this letter you may contact me on (02) 8374 6618.

Yours sincerely

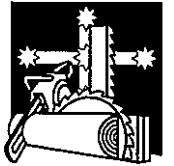
Belinda Penna
for Deputy Industrial Registrar

16 October 2002

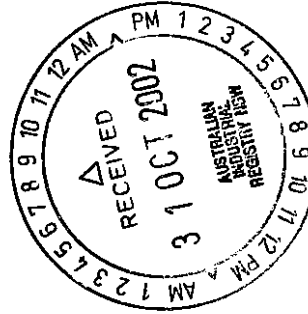


FR 2001/729

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NSW BRANCH



CONSTRUCTION

FORESTRY

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ENERGY

UNION

Deputy Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

30 October 2002

Dear Deputy Industrial Registrar

RE: New South Wales, Forestry & Forest, Building Products Manufacturing Division, Construction Forestry Mining & Energy Union – Outstanding Financial Documents – *Workplace Relations Act 1996*

I refer to your correspondence of 16 October 2002 regarding the above and advise as follows:

1. Accounts and Statements have been prepared in accordance with section 273.
2. In accordance with section 276(4) our appointed Auditors have conducted an audit of the accounts and statements and have provided their report which is dated 11 October 2002.
3. Pursuant to section 279(2), the Committee of Management resolved to provide members with a copy of the summary of the report. In accordance with section 279(2) (a) a copy of the summary is attached for the purposes of lodgement with the Industrial Registry. In accordance with section 279 (5) (b) the summary will be provided to members free of charge in a journal which is currently being printed and is expected to be sent to members in the first or second week of November.
4. In accordance with section 279 (6) it is proposed to present the report, accounts and statements to a meeting of the Committee of Management on or about 6 December 2002.
5. A copy of the report accounts and statements will be lodged with the Industrial Registry, within the time frame specified in section 280 (1) following the meeting referred to on 4 above.



FORESTRY & FURNISHING
PRODUCTS DIVISION
NSW BRANCH
ABN: 33 399 833 248

CRAIG SMITH
Divisional Branch Secretary
BRAD PARKER
Divisional Branch President

NSW BRANCH OFFICE
LEVEL 2
15 WENTWORTH AVENUE
SYDNEY NSW 2000

PO BOX Q694
QVB SYDNEY NSW 1230

PH: (02) 9267 3267
FAX: (02) 9267 8259
E-MAIL:
forestrynsw@fed.cfmeu.asn.au
WEB:
www.cfmeu.asn.au

Yours sincerely

CRAIG SMITH
DIVISIONAL BRANCH SECRETARY
FORESTRY & FURNISHING PRODUCTS DIVISION - NSW BRANCH
C.F.M.E.U

Encl: Summary of the Financial Report YE 2001

**SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

The financial report of the Construction Forestry Mining and Energy Union – Forestry and Forest Products Division – New South Wales Branch ("the Union") has been audited in accordance with the provisions of the Workplace Relations Act 1996 ("The Act"), and the following summary is provided for members in accordance with Section 279(2) of the Act.

A copy of the Auditors' Report and Financial Report will be supplied free of charge to members who request the same.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 274 which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

	2001	2000
	\$	\$
BALANCE SHEET AS AT 31 DECEMBER 2001		
ACCUMULATED FUNDS	<u>23,927</u>	<u>233,406</u>
Represented by:		
ASSETS		
Cash and Investments	255,209	299,411
Receivables	77,053	101,171
Other Assets	8,928	9,557
Inventories	17,791	35,582
Property, Plant and Equipment	<u>155,574</u>	<u>167,232</u>
TOTAL ASSETS	<u>514,555</u>	<u>612,953</u>
LIABILITIES		
Accounts Payable	173,801	86,602
Provisions	190,633	155,457
Other Liabilities	26,608	41,348
Tax Liability	25,815	16,576
Interest Bearing Liabilities	<u>73,771</u>	<u>79,564</u>
TOTAL LIABILITIES	<u>490,628</u>	<u>379,547</u>
NET ASSETS	<u>23,927</u>	<u>233,406</u>

**SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

continued

	2001	2000
	\$	\$
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001		
Contributions	672,343	818,044
Grant Received	165,181	221,172
Other Income	108,848	69,079
	<u>946,372</u>	<u>1,108,295</u>
Less: Expenditure	<u>1,138,060</u>	<u>1,165,628</u>
OPERATING RESULT FOR THE YEAR	<u>(191,688)</u>	<u>(57,333)</u>
Add: Non-Recurring Items	<u>(17,791)</u>	<u>244,929</u>
NET RESULT FOR THE YEAR	<u>(209,479)</u>	<u>187,596</u>

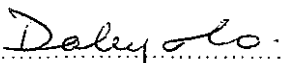
NOTES TO AND FORMING PART OF THE SUMMARY FINANCIAL REPORT

1. Non-Recurring items for the current year include a write down of inventories of \$17,791.
2. After Balance Date Event – Integration and Future Operations

Since 31 December 2001, the Union has taken steps to restore a sound financial position. A major contributor to restoring a sound financial position has been the integration of the Construction, Forestry, Mining and Energy Union – NSW FFTS Division and the Union. This together with increased levels in grant funding and reductions in certain cost areas is designed to reinstate the Union's profitability.

AUDITORS CERTIFICATE

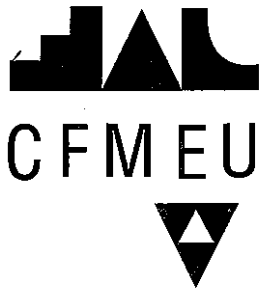
We certify that the above summary is a fair and accurate summary of the financial report of the Construction, Forestry, Mining and Energy Union – Forestry and Forest Products Division – New South Wales Branch, for the year ended 31 December 2001. Our Auditors' Report dated 11th October 2002 on the Financial Report, did not contain any particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.


.....
DALEY & CO
Chartered Accountants


.....
M L Gleeson - Partner
Registered Company Auditor

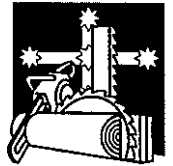
Dated this 11th day of October 2002.

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)



2nd copy Duplicate?

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CONSTRUCTION

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UNION

Deputy Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

30 October 2002

Dear Deputy Industrial Registrar

**RE: New South Wales, Federated Furnishing Trade Society Union
Division, Construction Forestry Mining & Energy Union – Financial
Documents – Workplace Relations Act 1996**

I refer to the above and advise as follows:

1. Accounts and Statements have been prepared in accordance with section 273.
2. In accordance with section 276(4) our appointed Auditors have conducted an audit of the accounts and statements and have provided their report which is dated 11 October 2002.
3. Pursuant to section 279(2), the Committee of Management resolved to provide members with a copy of the summary of the report. In accordance with section 279(2) (a) a copy of the summary is attached for the purposes of lodgement with the Industrial Registry. In accordance with section 279 (5) (b) the summary will be provided to members free of charge in a journal which is currently being printed and is expected to be sent to members in the first or second week of November.
4. In accordance with section 279 (6) it is proposed to present the report, accounts and statements to a meeting of the Committee of Management on or about 6 December 2002.
5. A copy of the report, accounts and statements will be lodged with the Industrial Registry, within the time frame specified in section 280 (1) following the meeting referred to on 4 above.



FORESTRY & FURNISHING
PRODUCTS DIVISION
NSW BRANCH
ABN: 33 399 833 248

CRAIG SMITH
Divisional Branch Secretary
BRAD PARKER
Divisional Branch President

NSW BRANCH OFFICE
LEVEL 2
15 WENTWORTH AVENUE
SYDNEY NSW 2000

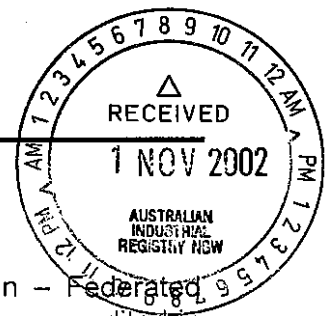
PO BOX Q694
QVB SYDNEY NSW 1230

PH: (02) 9267 3267
FAX: (02) 9267 8259
E-MAIL:
forestrynew@fed.cfmeu.asn.au
WEB:
www.cfmeu.asn.au

Yours sincerely

CRAIG SMITH
DIVISIONAL BRANCH SECRETARY
FORESTRY & FURNISHING PRODUCTS DIVISION - NSW BRANCH
C.F.M.E.U

Encl: Summary of the Financial Report YE 2001



SUMMARY OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The financial report of the Construction, Forestry, Mining, and Energy Union – Federated Furnishing Trade Society Union, New South Wales Branch ("the Union") have been audited in accordance with the provisions of the Workplace Relations Act 1996 ("the Act"), and the following summary is provided for members in accordance with Section 279 (2) of the Act.

A copy of the Auditors' Report and Financial Report will be supplied free of charge to members who request the same.

Certificates required to be given under the Act by the Accounting Officer and the Board of Management have been completed in accordance with the provisions of the Act and contain no qualifications.

INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 274 which read as follows:

- ① A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- ② An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed.
- ③ A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

AUDITORS CERTIFICATE

We certify that the Attached summary is a fair and accurate of the Report, Accounts and Statements of the Construction, Forestry, Mining and Energy Union – Federated Furnishing Trade Society Union, New South Wales Branch for the year ended 31 December 2001. Our Auditor's Report to the members dated, ~~11th~~ October 2002 on the Financial Report, did not contain any particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.

Daley & Co.
.....
DALEY & CO
Chartered Accountants
Wollongong

M. L. Gleeson
.....
M L Gleeson
Registered Company Auditor
Partner

Dated this *11th* day of October 2002.

**SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

BALANCE SHEET

	2001	2000
	\$	\$
ASSETS		
TOTAL ASSETS	-	-
LIABILITIES		
TOTAL LIABILITIES	-	-
NET ASSETS	-	-

INCOME AND EXPENDITURE STATEMENT

INCOME

Membership Contributions	165,057	158,005
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EXPENDITURE

General Administration Expenses	140,298	134,304
Sustention fees	24,759	23,701
	165,057	158,005

SURPLUS/(DEFICIENCY) FOR YEAR

Accumulated funds at beginning of the year	-	-
ACCUMULATED FUNDS AT END OF THE YEAR	-	-



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6509
Fax: (02) 9380 6990

Mr. Craig A Smith
Construction, Forestry, Mining and Energy Union-Forestry Division
- New South Wales Branch (No.1 Branch)
PO Box Q694, QVB
SYDNEY NSW 1230

Dear Mr. Smith

**Re: Lodgement of Summary of financial accounts - Construction, Forestry,
Mining and Energy Union-Forestry Division - New South Wales Branch (No.1
Branch) - for year ending 31 December 2001. (FR2001/729)**

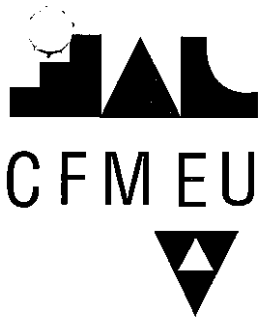
I refer to the summary of the abovementioned financial statements and accounts
which were lodged in the Industrial Registry on **31 October 2002**.

The summary meets the requirements of subsection 279(2) of the *Workplace
Relations Act 1996* and has been filed. We look forward to the final lodgement of the
above statements and accounts in due course.

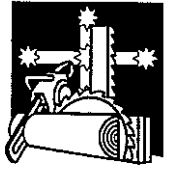
Yours sincerely

Caroline Pryor
Statutory Services Branch

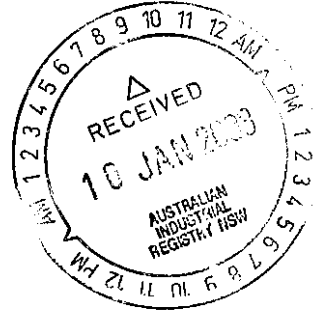
14 November 2002



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CONSTRUCTION

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UNION

The Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

6 January 2003

Dear Sir/Madam

RE: Financial Reporting Obligations Under *Workplace Relations Act 1996*

Please find enclosed copy of the financial documents relating to the audit report of the Construction, Forestry, Mining and Energy Union, Forestry Division, NSW Branch for the year ended 31 December 2001.

The documents are being lodged in compliance with section 280(1) of the Act., and are under cover of a certificate signed by me.

I trust that this satisfactorily concludes the financial reporting requirements of the organisation for the year ended 31 December 2001.

Yours sincerely

CRAIG SMITH
DIVISIONAL BRANCH SECRETARY
FORESTRY & FURNISHING PRODUCTS DIVISION - NSW BRANCH
C.F.M.E.U



FORESTRY & FURNISHING
PRODUCTS DIVISION
NSW BRANCH
ABN: 33 399 833 248

CRAIG SMITH
Divisional Branch Secretary

BRAD PARKER
Divisional Branch President

NSW BRANCH OFFICE
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SYDNEY NSW 2000

PO BOX Q694
QVB SYDNEY NSW 1230

PH: (02) 9267 3267

FAX: (02) 9267 8259

E-MAIL:

forestrynsw@fed.cfmeu.asn.au

WEB:

www.cfmeu.asn.au

SECRETARY'S CERTIFICATE

Issued pursuant to sub section 280(1) (b) of the Workplace Relations Act., 1996.

I, Craig Anthony Smith, being the Divisional Branch Secretary of the NSW Branch (No. 1 Branch) of the Forestry Division of the Construction, Forestry Mining and Energy Union, Level 2, 13-15 Wentworth Avenue, Sydney NSW, do hereby state that the attached documents are copies of the reports and audited accounts and financial statements for the year ending on the 31st day December, 2001 that were:

- (i) Supplied to members through the union journal published as the Summer Edition – December 2002; and
- (ii) Presented to a general meeting of members of the Committee of Management of the NSW Branch (No. 1 Branch) of the Forestry Division of the Construction, Forestry Mining and Energy Union on the 11th October 2002.

Signed:


.....
Craig Anthony Smith

...6th day of January 2003

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTRY AND FOREST PRODUCTS DIVISION - NEW SOUTH WALES BRANCH

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

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1	Accounting Officer's Certificate
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20	Income and Expenditure Account – Grant Accounts
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ACCOUNTING OFFICER'S CERTIFICATE

I, Craig Smith, being the Officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Forestry and Forest Products Division – New South Wales Branch, ("the Union") certify that as at 31 December 2001, the number of members of the Union was 2,833.

In my opinion,

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2001;
- (ii) A record has been kept of all the monies paid by, or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union;
- (iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union;
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) No loans or other financial benefits, other than remuneration in respect of their full-time employment with the Union, were made to persons holding office in the Union;
- (vi) The register of members of the Union was maintained in accordance with the Act.

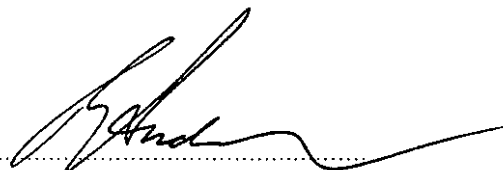

.....
Craig Smith

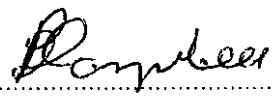
Signed this 11th day of October 2002.

COMMITTEE OF MANAGERMENTS' CERTIFICATE

We, Bevan Anderson and Bruce Campbell, being two members of the Committee of Management of the Construction Forestry Mining and Energy Union – Forestry and Forest Products Division – New South Wales Branch ("the Union"), do state on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management that;

- (i) In the opinion of the Committee of Management, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2001; and
- (ii) In the opinion of the Committee of Management, meetings of the Committee of Management were held during the year ended 31 December 2001 in accordance with the rules of the Union; and
- (iii) To the knowledge of any member of the Committee of Management, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under sub-section 274(2) of the Workplace Relations Act 1996), or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the Union; and
- (iv) The Union has complied with Sections 279(1) and 279(6) of the Act in relation to the financial report in respect of the preceding financial year, and the Auditors' Report thereon.


.....
Bevan Anderson


.....
Bruce Campbell

Signed this 11th day of October 2002.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Scope

We have audited the financial report of the Construction Forestry Mining and Energy Union – Forestry and Forest Products Division – New South Wales Branch ("the Union") for the year ended 31 December 2001 as set out on pages 4 to 16. The Union's Committee of Management is responsible for the preparation and presentation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Union.

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 and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. The 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, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and the results of its operations and cash flows.

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

Audit Opinion

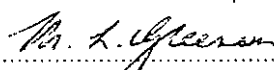
In our opinion:

- (a) Satisfactory accounting records have been kept by the Union so far as appears from our examination of these books, including:
 - (i) records of the sources and nature of the income of the Union (including income from members); and
 - (ii) records of the nature and purposes of the expenditure of the Union; and
- (b) The financial report required to be prepared under Section 273 of the Workplace Relations Act 1996 has been properly drawn up so as to give a true and fair view of:
 - (i) the financial affairs of the Union as at 31 December 2001; and
 - (ii) the income and expenditure, and result of the Union for the year ended on that date; and
- (c) The financial report has been prepared in accordance with Applicable Accounting Standards and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations that, to the best of our knowledge and belief, were necessary for the purposes of our audit.


Daley & Co
Chartered Accountants

Signed this 11th day of October 2002.


M L Gleeson
Registered Company Auditor

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2001**

	NOTE	2001 \$	2000 \$
Revenues from Ordinary Activities	2	<u>986,115</u>	<u>1,977,576</u>
Expenses from Ordinary Activities			
Employee Benefits Expense		481,592	426,996
Depreciation and Amortisation Expense		21,592	29,897
Sustentation Fees		130,977	158,484
Motor Vehicle Expenses		50,412	58,312
Promotional Material		-	29,622
Other Ordinary Expenditure		480,654	490,607
Write Down of Inventories		17,791	-
Written Down Value of Property, Plant & Equipment Sold		<u>12,576</u>	<u>596,062</u>
		<u>1,195,594</u>	<u>1,789,980</u>
Loss from Ordinary Activities Before Income Tax		(209,479)	187,596
Income Tax Expense relating to Ordinary Activities	1(c)	-	-
OPERATING RESULT FOR THE YEAR		<u>(209,479)</u>	<u>187,596</u>

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2001**

	NOTES	2001 \$	2000 \$
CURRENT ASSETS			
Cash	4	39,985	68,078
Receivables	5	77,053	101,171
Other	6	8,928	9,557
Investments	7	213,891	230,000
Inventories		17,791	35,582
TOTAL CURRENT ASSETS		357,648	444,388
NON-CURRENT ASSETS			
Investments	7	1,333	1,333
Property, Plant and Equipment	8	155,574	167,232
TOTAL NON-CURRENT ASSETS		156,907	168,565
TOTAL ASSETS		514,555	612,953
CURRENT LIABILITIES			
Accounts Payable	9	173,801	86,602
Interest Bearing Liabilities	10	7,945	12,209
Provisions	11	183,877	151,199
Other	12	26,608	41,348
Tax Liability		25,815	16,576
TOTAL CURRENT LIABILITIES		418,046	307,934
NON CURRENT LIABILITIES			
Interest Bearing Liabilities	10	65,826	67,355
Provisions	11	6,756	4,258
TOTAL NON CURRENT LIABILITIES		72,582	71,613
TOTAL LIABILITIES		490,628	379,547
NET ASSETS		23,927	233,406
ACCUMULATED FUNDS			
Members Funds	16	23,927	233,406

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2001**

	NOTES	2001 \$	2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		730,774	807,367
Service Fees – Grants		51,173	34,321
Reimbursement of Sitting Fees		30,415	19,631
Interest received		12,655	1,847
Other Income Received		22,640	5,759
Payments to Suppliers and Employees		(889,911)	(1,244,053)
Interest Paid on Borrowings		(5,562)	(5,480)
Receipts for Government Grants		237,284	177,874
Payments on Behalf of Government Grants		(205,367)	(220,053)
NET CASH USED IN OPERATING ACTIVITIES	15	<u>(15,899)</u>	<u>(422,787)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(22,510)	(48,628)
Proceeds from Sale of Property, Plant and Equipment		-	869,281
Movements in Investments		16,109	(230,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>(6,401)</u>	<u>590,653</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	-
Repayments of Borrowings		(3,122)	(43,349)
Proceeds from Trust Fund		-	(67,668)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES		<u>(3,122)</u>	<u>(111,017)</u>
NET INCREASE IN CASH HELD		<u>(25,422)</u>	<u>56,849</u>
CASH AT THE START OF THE FINANCIAL YEAR		65,407	8,558
CASH AT THE END OF THE FINANCIAL YEAR	4	<u>39,985</u>	<u>65,407</u>

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

1. STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act, 1996.

The financial report has been prepared on an accruals basis and is based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are brought to account at cost or at independent or Committee of Management valuation, less, where applicable, any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed periodically by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal.

The carrying amount of property, plant and equipment is reviewed periodically by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
	<i>%</i>
Buildings	2.00 to 20.00
Furniture Fittings & Equipment	5.00 to 47.90
Motor Vehicles	22.50

(b) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for annual leave, sick leave and long service leave arising from services rendered by officers and employees to balance date. Long service leave is accrued in respect of all officers and employees with more than 5 years service. Related on-costs are included in these provisions.

Contributions are made to employee superannuation funds and are charged as expenses where incurred.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(c) INCOME TAX

No provision for income tax is necessary, as the Union (being a registered Industrial Trade Union) is exempt from tax under section 50-15 of the Income Tax Assessment Act.

(d) COMPARATIVE FIGURES

Where required, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

(e) INVENTORIES

Inventories comprise promotional items and is valued at cost price being the lower of cost and net realisable value.

(f) GOODS AND SERVICES TAX

Revenues, expenses and fixed assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

The net amount of GST recoverable from, or payable to the Australian Taxation Office (ATO) is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

(g) Grants

The Union receives grant funding from various sources for varying purposes. All funds received are isolated in the balance sheet, from which all expenditures are made. Given that the grant projects generally have an operating period that differs from the financial year-end, amounts are carried forward in the balance sheet:

- as an asset where expenditures exceed funding received to the balance date and where such expenditures are recoverable under the Terms of the Grant
- as a liability where funding received exceeds expenditures to the balance date and the grant is ongoing. Refer to Note 12, "Unexpended Grants Carried Forward".

(f) RECLASSIFICATION OF FINANCIAL INFORMATION

Some line items and sub-totals reported in the previous financial year have been reclassified and repositioned in the financial statement as a result of the first time application on 1 January 2001 of the revised standards AASB 1018 *Statement of Financial Performance*, AASB 1034 *Financial Report Presentation and Disclosures* and the new AASB 1040 *Statement of Financial Position*. Adoption of these standards has resulted in the transfer of the reconciliation of opening to closing accumulated funds from the face of the statement of financial performance to Note 17.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(G) GOING CONCERN

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As set out in Note 19, since the end of the year, the Union has addressed its position and formulated plans to ensure its ongoing viability.

	2001	2000
	\$	\$
2. OPERATING PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax is arrived at after taking into account		
(a) REVENUE:		
<i>Operating Activities</i>		
Contributions	672,343	818,044
Sitting Fees	27,861	24,251
Grants – Service Office Fees	46,521	34,321
Interest Received	11,494	4,861
Grants Received	165,181	185,026
Unexpended Grant Funds Carried Forward	39,741	36,146
Other Income	22,974	5,646
	<u>986,115</u>	<u>1,108,295</u>
<i>Non-Operating Activities</i>		
Proceeds from Sale of Property, Plant & Equipment	-	869,281
	<u>986,115</u>	<u>1,977,576</u>
(b) EXPENSES		
Depreciation of Non-Current Assets		
Buildings	2,069	7,859
Plant & Equipment	19,523	22,040
Total Depreciation	<u>21,592</u>	<u>29,897</u>
Movements in Employee Entitlements	22,804	(36,280)
Written Down Value of Property, Plant & Equipment Sold	12,576	596,062
Remuneration of Auditors		
- Auditing the Financial Report	14,000	13,590
- Accounting & Taxation Services	5,438	3,340

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

Continued

3. SPECIFIED INFORMATION

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the following provisions of the Act:

S274

- ❶ A member of an organisation, or Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- ❷ An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed.
- ❸ A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the registrar shall provide to a member information received because of an application made at the request of the member.

	2001	2000
	\$	\$
4. CASH		
Cash on Hand	500	500
Cash at Bank	39,485	67,578
	<u>39,985</u>	<u>68,078</u>
5. RECEIVABLES		
Current		
Contributions Receivable	68,329	60,784
Grants Receivable	-	30,250
Sundry Debtors	8,724	10,137
	<u>77,053</u>	<u>101,171</u>
6. OTHER		
Current		
Prepayments	8,928	9,557
	<u>8,928</u>	<u>9,557</u>
7. INVESTMENTS		
Current		
CBA Security Investment Account	213,891	230,000
	<u>213,891</u>	<u>230,000</u>
Non-Current		
Shares in The Trades and Industrial Hall and Literary Institute Association Ltd (At Cost)	1,332	1,332
Shares in Training Education and Management Services Pty Limited (At Cost)	1	1
	<u>1,333</u>	<u>1,333</u>

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001
continued

	2001	2000
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
➤ 26 Merrivale Street, Tumut, NSW		
Land	14,000	14,000
Buildings	103,453	103,453
Accumulated Depreciation	(6,552)	(4,483)
TOTAL LAND & BUILDINGS	<u>110,901</u>	<u>112,970</u>
FURNITURE, FITTINGS AND EQUIPMENT		
• At Cost	75,906	77,958
• Accumulated Depreciation	(65,642)	(67,553)
	<u>10,264</u>	<u>10,405</u>
COMPUTER EQUIPMENT		
• At Cost	72,275	68,380
• Accumulated Depreciation	(42,579)	(33,201)
	<u>29,696</u>	<u>35,179</u>
MOTOR VEHICLES		
• At Cost	650	650
• Accumulated Depreciation	(521)	(423)
	<u>129</u>	<u>227</u>
LEASEHOLD IMPROVEMENTS		
• At Cost	17,625	17,625
• Accumulated Depreciation	(13,041)	(9,174)
	<u>4,584</u>	<u>8,451</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>155,574</u>	<u>167,232</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001
continued

	2001	2000
	\$	\$

8. PROPERTY, PLANT AND EQUIPMENT

Continued

Movements In Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	Land & Buildings	Leasehold Improvements	Furniture Fittings & Equipment	TOTAL
Balance at Start of Year	112,970	8,451	45,811	167,232
Additions	-	-	22,511	22,511
Disposals – Assets	-	-	(20,665)	(20,665)
Amort/Depreciation Expense	(2,069)	(3,867)	(15,656)	(21,592)
Disposals – Accum Dep'n	-	-	8,088	8,088
Balance at End of Year	<u>110,901</u>	<u>4,584</u>	<u>40,089</u>	<u>155,574</u>

9. ACCOUNTS PAYABLE

Trade Creditors & Accruals	<u>173,801</u>	<u>86,602</u>
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10. INTEREST BEARING LIABILITIES

Current

Bank Overdraft	-	2,671
Loans – Unsecured	-	-
Loans – Secured	<u>7,945</u>	<u>9,538</u>
	<u>7,945</u>	<u>12,209</u>

Non Current

Loans – Secured	<u>65,826</u>	<u>67,355</u>
TOTAL BORROWINGS	<u>73,771</u>	<u>79,564</u>

(a) The bank loans are secured by registered first mortgages over the Merrivale Street, Tumut property.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

Continued

	2001	2000
	\$	\$
11. PROVISIONS		
Current		
Employee Entitlements:		
Provision for Annual Leave	62,271	48,604
Provision for Long Service Leave	38,708	34,352
Provision for Sick Leave	30,495	25,593
Provision for Rostered Days Off	1,314	3,933
	132,788	112,482
Other:		
Provision for Audit and Accounting Fees	10,000	10,000
Provision for Fringe Benefits Tax	12,372	-
Provision for Payroll Tax	28,717	28,717
	51,089	38,717
Total Current Provisions	183,877	151,199
Non Current		
Employee Entitlements:		
Provision for Long Service Leave	6,756	4,258
Number of Employees at year end	9	10
12. OTHER		
Unexpended Grant Funds	1,608	41,348
Grants In Advance	25,000	-
	26,608	41,348
13. SALARIES		
The following analysis of salaries paid during the year ended 31 December 2001 is given in compliance with the requirements of the Workplace Relations Act, 1996.		
Paid to Office Holders	46,944	43,806
Redundancy Paid	14,063	-
Paid to Employees	358,117	339,610
Sick Leave Entitlements Paid	-	43,174
	419,124	426,590

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

continued

	2001	2000
	\$	\$
14. AUDITORS' REMUNERATION		
Amounts received, or due and receivable, by the auditors for:		
• Auditing	16,358	13,590
• Accounting and taxation services	3,080	3,340
TOTAL	<u>19,438</u>	<u>16,930</u>
15. CASH FLOW INFORMATION		
(A) RECONCILIATION OF NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO OPERATING RESULT		
Operating Result from Ordinary Activities	(209,479)	187,596
Non Cash Items		
• Depreciation	21,592	31,943
• Provision for Employee Entitlements	22,804	(36,280)
• Provision for Payroll Tax	-	(88,847)
• Debts Forgiven	-	(49,082)
• Net Profit on Sale of Assets	-	(215,848)
• Net Loss on Disposal of Assets	12,576	13,731
Changes in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable	24,118	(51,817)
Decrease in Inventories	17,791	-
Increase in Prepayments	629	(2,049)
Decrease in Unexpended Grant Income	(14,740)	(47,462)
(Decrease) Increase in Accounts Payable	87,199	(176,249)
Decrease in Other Provisions	12,372	(5,000)
Increase in Tax Liability	9,239	16,576
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(15,899)</u>	<u>(422,788)</u>
(B) RECONCILIATION OF CASH		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
• Cash	39,985	68,078
• Bank Overdraft	-	(2,671)
	<u>39,985</u>	<u>65,407</u>

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

Continued

	2001	2000
	\$	\$
16. MEMBERS FUNDS		
Opening Balance at Start of Year	233,406	45,810
Add: Results from Ordinary Activities		
General Fund	(207,344)	187,810
Grant Funds	(2,135)	-
	<u>(209,479)</u>	<u>187,810</u>
Closing Balance at End of Year	<u>23,927</u>	<u>233,406</u>

17. RELATED PARTY INFORMATION

MEMBERS OF THE COMMITTEE OF MANAGEMENT

Persons holding positions within the Union and as members of the Committee of Management during the year:

OFFICIALS

- Mr B Anderson (President)
- Mr B Campbell (Senior Vice President)
- Mr J Constance (Vice President (Junior))
- Mrs J Willett (Vice President (Junior) (AA))
- Mr C Smith (Secretary)

TRUSTEES

- Mrs E Anderson (AA)
- Mr P Reilly
- Mr R Watson
- Mr K Miller

COMMITTEE MEMBERS

- Mr A Lanyon
- Mr B Barrakett
- Mrs C Hampton (AA)
- Mrs J Power (AA)
- Mr K Hickey
- Mr M Thomson
- Mr M Schuppan
- Mr P Sanders
- Mr P Stclair
- Mr A Ovington

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001
continued

18. OPERATING LEASE COMMITMENTS

An operating lease commitment exists in respect of the sub-lease of floor area within the new premises situated at Wentworth Street, Sydney. An operating lease commitment also exists in respect of the lease of six motor vehicles from Summit Fleet Management Services. The maximum amount (including GST) committed plus the maximum extension of options is as follows :-

	2001	2000
	\$	\$
The total operating lease commitments are:		
(a) Wentworth Street, Sydney		
Due within 1 Year	30,665	29,197
Due within 1-2 Years	7,789	7,299
	<u>38,454</u>	<u>36,496</u>
(b) Motor Vehicles		
Due within 1 Year	87,391	100,267
Due within 1-2 Years	84,816	16,711
Due within 2-5 Years	14,136	-
	<u>186,343</u>	<u>116,978</u>
TOTAL COMMITMENT	<u><u>224,797</u></u>	<u><u>153,474</u></u>


19. AFTER BALANCE DATE EVENT - INTEGRATION AND FUTURE OPERATIONS

Since 31 December 2001, the Union has taken the following steps to restore a sound financial position. A major contributor to restoring a sound financial position has been the integration of the Construction, Forestry, Mining and Energy Union – NSW FFTS Division and the Union. This together with increased levels in grant funding and reductions in certain cost areas is designed to reinstate the Union's profitability.

DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional financial information presented on pages 18 to 20 is in accordance with the books and records of the Construction Forestry Mining and Energy Union – Forestry and Forest Products Division – New South Wales Branch ("The Union"), which have been subjected to the auditing procedures applied in our statutory audit of the Union for the year ended 31 December 2001. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Union) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.


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Daley & Co
Chartered Accountants
Wollongong NSW 2500

Signed this 11th day of October 2002

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000
	\$	\$
GENERAL FUNDS		
INCOME		
Contributions	672,343	818,044
Grants - Serviced Office Fees	46,520	34,321
Interest Received	11,159	4,456
Reimbursement of Sitting Fees	27,861	24,251
Reimbursement of Filing Fees	-	1,250
Insurance Settlements	14,631	3,432
Sundry Income	8,343	964
TOTAL INCOME	780,857	886,718
EXPENDITURE		
Advertising	340	963
Affiliation Fees	28,309	25,362
Auditors Remuneration	13,080	13,240
Bank Charges	2,912	3,267
Committee of Management Expenses	24,134	19,168
Computer Expenses	10,274	2,198
Consultancy Fees	375	6,110
Delegation Expenses	18,777	22,623
Delegates Training Expenses	27,482	-
Depreciation	19,770	27,851
Donations	600	5,525
Electricity	288	628
Filing Fees	788	1,708
Fringe Benefit Tax	20,595	8,416
General Expenses	1,148	3,142
Late Lodgement Fees	387	2,427
Lease Charges – Motor Vehicles	76,040	72,671
Loss on Disposal of Fixed Assets	1,635	13,731
Insurance	12,070	5,885
Interest Paid	9,613	5,480
Legal and Professional Expenses	4,873	1,087
Motor Vehicle Expenses / Fuel	36,798	45,621
National Conference	2,582	-
Payroll Tax	23,135	26,528
Postage, Freight, Printing and Stationery	26,633	18,212
Provision for Annual Leave	13,667	10,737
Provision for Long Service Leave	6,854	(6,581)
	383,159	335,999

Continued Over Page 17

INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000
	\$	\$
GENERAL FUNDS		
EXPENDITURE		
<i>continued</i>		
Balance Brought Forward	383,159	335,999
Provision for Sick Leave	4,902	(41,190)
Provision for Rostered Days Off	(2,619)	754
Rates	1,421	5,317
Reference Material	-	1,132
Rent and Outgoings	24,955	30,011
Repairs, Maintenance and Outgoings	6,012	4,771
Relocation Expenses	-	1,281
Salaries and Wages – Officers	46,944	43,806
Salaries and Wages – Employees	268,397	248,224
Salaries and Wages – Redundancy/Termination	14,063	-
Salaries and Wages – Sick Leave Entitlements	-	43,174
Staff Expenses	2,338	1,395
Storage	4,492	4,866
Subscriptions	7,813	5,008
Sundry Expenses	3,009	4,827
Superannuation Contributions	30,581	28,252
Sustentation Fees	130,977	158,484
Telephone and Facsimile	42,278	53,376
Training Expenses	1,688	14,564
TOTAL EXPENDITURE	<u>970,410</u>	<u>944,051</u>
OPERATING RESULT FOR THE YEAR BEFORE NON-RECURRING ITEMS	<u>(189,553)</u>	<u>(57,333)</u>
NON-RECURRING ITEMS		
Write Down of Inventories	(17,791)	-
Profit on Sale of Property, Plant & Equipment	-	215,848
Debts Forgiven	-	49,081
Write Back of Grant Funds Non Recoverable	-	(20,000)
OPERATING RESULT FOR THE YEAR	<u>(207,344)</u>	<u>187,596</u>

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000 \$
GRANT FUNDS		
INCOME		
Grant Funds Received	165,181	185,026
Interest Received on Grant Funds	335	405
Unexpended Grant Funds Carried Forward	39,740	36,146
TOTAL INCOME	<u>205,256</u>	<u>221,577</u>
EXPENDITURE		
Accommodation & Meals	5,286	5,287
Air Fares and Travel Expenses	1,158	6,735
Auditors Remuneration	6,358	3,690
Bank Charges	769	646
Computer Expenses	2,273	-
Consultancy Fees	-	1,482
Depreciation Expense	1,822	2,046
General Expenses	394	270
Loss on Sale of Assets	10,941	-
Motor Vehicle Expenses	13,614	12,691
Payroll Tax	5,885	1,797
Printing, Postage and Stationery	3,039	7,790
Promotional Material	-	29,622
Salaries	89,720	91,386
Superannuation	9,083	8,434
Training	327	5,102
Telephone	7,313	8,209
Service Office Fees	46,521	34,321
Workers Compensation Insurance	2,888	2,069
	<u>207,391</u>	<u>221,577</u>
OPERATING RESULT FOR THE YEAR	<u>(2,135)</u>	<u>-</u>

**SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

The financial report of the Construction Forestry Mining and Energy Union – Forestry and Forest Products Division – New South Wales Branch ("the Union") has been audited in accordance with the provisions of the Workplace Relations Act 1996 ("The Act"), and the following summary is provided for members in accordance with Section 279(2) of the Act.

A copy of the Auditors' Report and Financial Report will be supplied free of charge to members who request the same.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 274 which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

	2001	2000
	\$	\$
BALANCE SHEET AS AT 31 DECEMBER 2001		
ACCUMULATED FUNDS	<u>23,927</u>	<u>233,406</u>
Represented by:		
ASSETS		
Cash and Investments	255,209	299,411
Receivables	77,053	101,171
Other Assets	8,928	9,557
Inventories	17,791	35,582
Property, Plant and Equipment	<u>155,574</u>	<u>167,232</u>
TOTAL ASSETS	<u>514,555</u>	<u>612,953</u>
LIABILITIES		
Accounts Payable	173,801	86,602
Provisions	190,633	155,457
Other Liabilities	26,608	41,348
Tax Liability	25,815	16,576
Interest Bearing Liabilities	<u>73,771</u>	<u>79,564</u>
TOTAL LIABILITIES	<u>490,628</u>	<u>379,547</u>
NET ASSETS	<u>23,927</u>	<u>233,406</u>

SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001
continued

	2001	2000
	\$	\$
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001		
Contributions	672,343	818,044
Grant Received	165,181	221,172
Other Income	108,848	69,079
	<u>946,372</u>	<u>1,108,295</u>
Less: Expenditure	1,138,060	1,165,628
OPERATING RESULT FOR THE YEAR	<u>(191,688)</u>	<u>(57,333)</u>
Add: Non-Recurring Items	(17,791)	244,929
NET RESULT FOR THE YEAR	<u>(209,479)</u>	<u>187,596</u>


NOTES TO AND FORMING PART OF THE SUMMARY FINANCIAL REPORT

1. Non-Recurring items for the current year include a write down of inventories of \$17,791.
2. After Balance Date Event - Integration and Future Operations

Since 31 December 2001, the Union has taken steps to restore a sound financial position. A major contributor to restoring a sound financial position has been the integration of the Construction, Forestry, Mining and Energy Union - NSW FFTS Division and the Union. This together with increased levels in grant funding and reductions in certain cost areas is designed to reinstate the Union's profitability.

AUDITORS CERTIFICATE

We certify that the above summary is a fair and accurate summary of the financial report of the Construction, Forestry, Mining and Energy Union - Forestry and Forest Products Division - New South Wales Branch, for the year ended 31 December 2001. Our Auditors' Report dated 11th October 2002 on the Financial Report, did not contain any particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.


.....
DALEY & CO
Chartered Accountants


.....
M L Gleeson - Partner
Registered Company Auditor

Dated this 11th day of October 2002.

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr. Craig A Smith
Divisional Branch Secretary
Construction, Forestry, Mining and Energy Union-Forestry Division - New South
Wales Branch (No.1 Branch)
PO Box Q694 QVB
SYDNEY NSW 1230

Dear Mr. Smith

Re Financial Return for Construction, Forestry, Mining and Energy Union-Forestry
Division - New South Wales Branch (No.1 Branch) for year ended 31 December
2001(FR 2001/729)

Receipt is acknowledged of the above-mentioned financial return lodged in the Registry
on 10 January 2003.

Further to our phone conversation the following matters require further information:

The date of the second meeting is required before the financial documents can be filed.
Your letter dated 30 October 2002, accompanying the summary of the financial
statements, proposes at point 4 that you will present the financial statements to a
meeting of committee of management on or about 6 December. Please confirm that the
date of the second meeting was at least 7 days after the financial statements were
published and distributed to members.

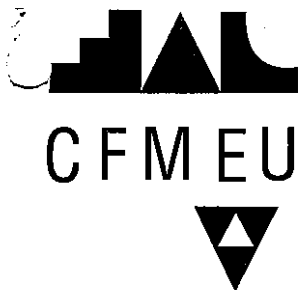
In examining the documents, I have noted the qualification contained in the auditor's
report Note 1(G) page 8 and Note 19 After balance Date Event. Given the auditor's
comments it is not necessary to take any further action at this stage in regard to the
matter. It would assist the Registry if you could advise me of the dates, official name
changes and reporting processes you have arranged to implement as part of the
integration of the branches.

Please do not hesitate to contact me on (02) 8374 6516 should you wish to discuss any
of these matters.

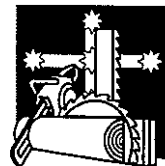
Yours sincerely,

Caroline Pryor
NSW Statutory Services Branch

22 January 2003



Solidarity is Strength



NSW BRANCH



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

The Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

23 January 2003

Attention: Caroline Pryor – NSW Statutory Services Branch

Dear Sir/Madam

RE: Financial Return for Construction, Forestry, Mining and Energy Union - Forestry Division NSW Branch (No.1 Branch) for year ended 31 December 2001 (FR 2001/729)

I have received your correspondence of 22 January 2003, regarding the above.

In response to matters which require further information, I advise as follows:

The Committee of Management second meeting was held on 10 December 2002. I did omit to advise this date in my 6 January 2003 correspondence. As stated in my Secretary's Certificate, the Financial Statements were published in the "Summer Edition – December 2002" journal. I confirm that the Journal was published and distributed to Members on or around 1 December 2002.

The After Balance Date Event referred to in the Auditor's report is in relation to the integration of the Divisional entities previously known as the *Forestry, Forest, Building Products and Manufacturing Division (Forestry Division)* and the *Federated Furnishing Trades Society Division (FFTS Division)*. The integration occurred pursuant to the "Scheme of Amalgamation" which formed the CFMEU.

On 11 February 2002, the Construction, Forestry, Mining & Energy Union National Executive passed a number of resolutions giving effect to the above mentioned integration. Relevant alterations to the Rule's were Certified by the Deputy Industrial Registrar on 19 July 2002 (R No's 5 and 118 of 2002). As a result of those Rule changes the new name of the Division became the *Forestry, Furnishing, Building Products and Manufacturing Division (FFPD Division)*.

In respect to the Forestry Divisional and FFTS Divisional NSW Branch's, the physical/actual integration took place on 1 April 2002, that is, Membership, Finances, Administration, Offices, Organisers, etc., from both Divisional Branch's were merged into one and known as the *Forestry, Furnishing, Building Products and Manufacturing Division, NSW Divisional Branch (FFPD Division, NSW Divisional Branch)*.



FORESTRY & FURNISHING
PRODUCTS DIVISION
NSW BRANCH
ABN: 33 399 833 248

CRAIG SMITH
Divisional Branch Secretary

BRAD PARKER
Divisional Branch President

NSW BRANCH OFFICE
LEVEL 2
15 WENTWORTH AVENUE
SYDNEY NSW 2000

PO BOX Q694
QVB SYDNEY NSW 1230

PH: (02) 9267 3267

FAX: (02) 9267 8259

E-MAIL:

forestrynsw@fed.cfmeu.asn.au

WEB:

www.cfmeu.asn.au

The Financial Reporting process for the year Ended 31 December 2002, will be conducted in the following manner:

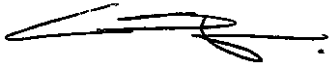
An Audit of the FFTS Division NSW Divisional Branch accounts will be conducted for the period 1 January 2002 to 31 March 2002, the Branch Auditors will prepare a Financial Report and the reporting obligations under the Workplace Relations Act 1996 will be followed in respect to that report.

An Audit of the Forestry Division NSW Divisional Branch accounts will be conducted for the period 1 January 2002 to 31 March 2002, the Branch Auditors will prepare a Financial Report and the reporting obligations under the Workplace Relations Act 1996 will be followed in respect to that report.

An Audit of the FFPD Division NSW Divisional Branch accounts will be conducted for the period 1 April 2002 to 31 December 2002, the Branch Auditors will prepare a Financial Report and the reporting obligations under the Workplace Relations Act 1996 will be followed in respect to that report.

I trust the above satisfactorily responds to the information requested.

Yours sincerely



CRAIG SMITH
DIVISIONAL BRANCH SECRETARY
FORESTRY & FURNISHING PRODUCTS DIVISION - NSW BRANCH
C.F.M.E.U



AUSTRALIAN INDUSTRIAL REGISTRY

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Mr. Craig A Smith
Divisional Branch Secretary
Construction, Forestry, Mining and Energy Union-Forestry Division - New South
Wales Branch (No.1 Branch)
PO Box Q694 QVB
SYDNEY NSW 1230

Dear Mr. Smith

**Re Financial Return for Construction, Forestry, Mining and Energy Union-
Forestry Division - New South Wales Branch (No.1 Branch) for year ended 31
December 2001(FR 2001/729)**

Receipt is acknowledged of your letter lodged in the Registry on 29 January 2003.
Thank you for providing further information.

The financial statements meet the requirements of the *Workplace Relations Act 1996*
and have now been filed.

Thank you for your advice on the future reporting processes you have arranged to
implement as part of the integration of the branches.

Yours sincerely,

Caroline Pryor
NSW Statutory Services Branch

30 January 2003