



AUSTRALIAN INDUSTRIAL REGISTRY

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

Ms Jane Calvert
Secretary Victorian Branch
Forestry & Forest, Bulding Products Manufacturing Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

Re: Victorian Divisional 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.

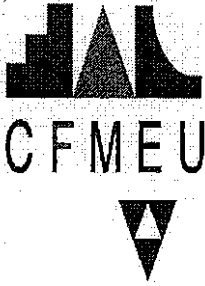
If you wish to discuss this letter you may contact me on (02) 8374 6618.

Yours sincerely

Belinda Penna

Belinda Penna
for Deputy Industrial Registrar

16 October 2002



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

John Harding
Registry
AIRC
Level 8
Terrace Towers
80 Williams ST
East Sydney
NSW 2011


Dear John,

As required, please find enclosed the audited financial statements for the CFMEU Forestry Division for the year ended 2001.

These were presented to the Committee of Management on the 8th March 2002 and then the enclosed summary was circulated to the membership. A final meeting of the Committee of Management was held on the 6th December 2002 and lodgement was authorised.

Yours sincerely

Jane Calvert
Secretary
CFMEU FFPD Division
Vic. Forestry Branch



FORESTRY DIVISION
NO. 2 VIC BRANCH
JANE CALVERT
DIV. BRANCH SECRETARY
PO BOX 661
CARLTON SOUTH 3053
1st FLOOR
500 SWANSTON STREET
CARLTON SOUTH
VICTORIA 3059

PH: (03) 9348 1888
FAX: (03) 9349 1511
FREECALL: 1800 060 556



**CONSTRUCTION FORESTRY MINING ENERGY UNION -
FOREST & FOREST PRODUCTS DIVISION NO. 2
VICTORIAN BRANCH
ABN 30 267 473 953**

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

**CONSTRUCTION FORESTRY MINING ENERGY UNION -
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2001**

	2001 \$	2000 \$
RECEIPTS		
Membership contributions	713,219	850,408
Grants received	43,488	-
Interest received	27,042	31,895
Office administration and other services	39,000	40,438
Sundry income	<u>24,134</u>	<u>6,684</u>
TOTAL INCOME	<u>846,883</u>	<u>929,425</u>
LESS EXPENDITURE		
Administrative expenses	321,074	282,788
Affiliation fees	159,747	205,760
Interest paid	41,476	45,552
Salaries & employment benefits	<u>458,890</u>	<u>450,714</u>
TOTAL EXPENDITURE	<u>981,187</u>	<u>984,814</u>
DEFICIT FOR THE YEAR	<u>\$ (134,304)</u>	<u>\$ (55,389)</u>

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

Balance general fund as at 1st January, 2001	330,626	386,015
Add net deficit for the year	<u>(134,304)</u>	<u>(55,389)</u>
	196,322	330,626
Reserves	<u>(89,842)</u>	<u>(89,842)</u>
	<u>\$ 106,480</u>	<u>\$ 240,784</u>

Represented by:

CURRENT ASSETS		
Cash at bank and on hand	129,899	209,751
Prepayments & accrued income	41,690	46,317
Sundry debtors	<u>98,484</u>	<u>71,921</u>
TOTAL CURRENT ASSETS	<u>270,073</u>	<u>327,989</u>
OTHER ASSETS		
Investments	222,920	233,045
Property, plant & equipment @ WDV	403,944	422,495
John Curtin fund	<u>267,376</u>	<u>240,639</u>
TOTAL OTHER ASSETS	<u>894,240</u>	<u>896,179</u>
TOTAL ASSETS	<u>1,164,313</u>	<u>1,224,168</u>
LESS LIABILITIES		
Creditors	108,610	89,654
Employee provisions	131,847	103,091
John Curtin fund	267,376	240,639
Loans	<u>550,000</u>	<u>550,000</u>
TOTAL LIABILITIES	<u>1,057,833</u>	<u>983,384</u>
NET ASSETS	<u>\$ 106,480</u>	<u>\$ 240,784</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION -
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
Information to be Provided to Member or Registrar**

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of sub sections (1), (2) and (3) of Section 274, which read as follows:-

(1) Application of Information

A member of an organisation, or a registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

(2) Provision of Information

An organisation shall, on application made under sub section (1) by a member of the organisation or a registrar, make the specified information available to the member or registrar in such manner, and within such time, as is prescribed.

(3) Function of Registrar

A registrar may only make an application under sub section (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.

Penalty : \$1,000

Financial Statements

The Union will provide a copy of the report, accounts and statements for the year ended 31st December, 2001, free of charge to any member who requests them.

**Auditors' Report to the Members of the Construction Forestry Mining Energy Union -
Forest & Forest Products Division No. 2 Victorian Branch**

We certify that the above summary is a fair and accurate summary of the reports, accounts and statements of the Construction Forestry Mining Energy Union - Forest & Forest Products Division No. 2 Victorian Branch for the year ended 31st December, 2001. Our Auditors' Report on the financial report dated 8th March, 2002, on the accounts did not contain particulars of any deficiency, failure or shortcomings as referred to in the Workplace Relations Act 1996.

MSI Ragg Weir

MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER
REGISTERED COMPANY AUDITOR

Melbourne: 12th March, 2002

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2001**

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2001**

	NOTE	2001 \$	2000 \$
Revenues from ordinary activities	3	846,883	929,425
Employee benefits expense		(458,890)	(464,187)
Depreciation expenses	4	(18,551)	(22,494)
Other expenses from ordinary activities		<u>(503,746)</u>	<u>(498,133)</u>
Profit/(loss) from ordinary activities before income tax expenses	4	(134,304)	(55,389)
Income tax expense	1(a)	_____ -	_____ -
Net profit/(loss)		<u>(134,304)</u>	<u>(55,389)</u>
Total changes in equity	14	\$ <u>(134,304)</u>	\$ <u>(55,389)</u>

The accompanying notes form part of this financial report.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2001**

	NOTE	2001 \$	2000 \$
CURRENT ASSETS			
Cash asset	6	129,899	209,751
Receivables	7	101,344	75,755
Other	8	<u>38,830</u>	<u>42,483</u>
TOTAL CURRENT ASSETS		<u>270,073</u>	<u>327,989</u>
NON CURRENT ASSETS			
Property, plant & equipment	9	403,944	422,495
Other financial assets	10	<u>490,296</u>	<u>473,684</u>
TOTAL NON CURRENT ASSETS		<u>894,240</u>	<u>896,179</u>
TOTAL ASSETS		<u>1,164,313</u>	<u>1,224,168</u>
CURRENT LIABILITIES			
Payables	11	375,986	330,293
Interest bearing liabilities	12	550,000	550,000
Provisions	13	<u>131,847</u>	<u>103,091</u>
TOTAL CURRENT LIABILITIES		<u>1,057,833</u>	<u>983,384</u>
TOTAL LIABILITIES		<u>1,057,833</u>	<u>983,384</u>
NET ASSETS		<u>\$ 106,480</u>	<u>\$ 240,784</u>
EQUITY			
Retained profits	14	196,322	330,626
Reserves	15	<u>(89,842)</u>	<u>(89,842)</u>
TOTAL EQUITY		<u>\$ 106,480</u>	<u>\$ 240,784</u>

The accompanying notes form part of these financial report.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2001**

	NOTE	INFLOW (OUTFLOW) 2001 \$	INFLOW (OUTFLOW) 2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant income		37,578	-
Membership contributions		707,280	822,437
Other revenue		63,135	59,146
Interest received		28,016	31,795
Interest paid		(39,017)	(48,160)
Payments to suppliers & employees		<u>(886,968)</u>	<u>(863,415)</u>
CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES	18 (b)	<u>(89,976)</u>	<u>1,803</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
John Curtin Fund		26,736	24,983
Proceeds on sale of investments		10,125	-
Purchase of property, plant & equipment		<u>-</u>	<u>(8,010)</u>
CASH FLOWS PROVIDED/(USED) BY INVESTING ACTIVITIES		<u>36,861</u>	<u>16,973</u>
NET INCREASE/(DECREASE) IN CASH HELD		(53,115)	18,776
Cash at beginning of reporting period		<u>450,390</u>	<u>431,614</u>
CASH AT END OF REPORTING PERIOD	18(a)	<u>\$ 397,275</u>	<u>\$ 450,390</u>

The accompanying notes form part of this financial report.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001**

Note 1 – Statement of Significant Accounting Policies

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

The financial report has been prepared on an accruals basis and is based on historical cost and does 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.

As a result of applying the revised Accounting Standard AASB 1018 Statement of Financial Performance, revised AASB 1034 Financial Report Presentation and Disclosures and AASB 1040 Statement of Financial Position for the first time, a number of comparative amounts were represented or reclassified to ensure comparability with the current reporting period.

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) *Income Tax*

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50- of the Income Tax Assessment Act.

(b) *Property, Plant and Equipment*

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Union to ensure it is not excess of the recoverable amount from those 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 present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated 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:

Class of Fixed Assets	Depreciation Rate
Building improvements	2.5%
Plant and equipment	7.5% - 40%

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001**

Note 1 – Summary of Significant Accounting Policies (cont.)

(c) *Leases*

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(d) *Employee Entitlements*

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave which will be settled after one year, have been measured at their nominal amount.

Annual leave has been calculated for all employees and officials on the basis of their terms of employment.

(e) *Cash*

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(f) *Revenue*

Revenue from membership subscriptions is recognised on a cash basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Note 2 – Information To Be Provided To Members Or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows:-

(1) *Application for Information*

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001 (Cont.)**

Note 2 – Information To Be Provided To Members Or Registrar (cont.)

(2) *Provision of Information*

An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

(3) *Function of Registrar*

A Registrar may only make an application under sub-section (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.

Penalty : \$1,000

	2001 \$	2000 \$
Note 3 – Revenue		
Revenues from operating activities		
Membership subscriptions	713,219	850,408
Revenues from outside the operating activities		
Interest received	27,042	31,895
Grant funds received	43,488	-
Office administrative and other services	39,000	40,438
Sitting fees	4,021	-
Others	<u>20,113</u>	<u>6,684</u>
Revenue from ordinary activities	<u>\$846,883</u>	<u>\$929,425</u>

Note 4 – Profit from ordinary activities

Net gain and expenses

Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001 (Cont.)**

	2001 \$	2000 \$
Note 4 – Profit from ordinary activities (cont.)		
Expenses		
Borrowing costs	41,476	45,552
Depreciation of property, plant and equipment	18,551	22,494
Remuneration of auditor:		
– audit services	7,470	8,885
– other services	-	-
Note 5 - Donations		
Apex Club Myrtleford	-	250
A. Stewart Memorial Project	-	100
James Watt Appeal	-	625
Woodworkers Orbost	<u>250</u>	<u>250</u>
	<u>\$ 250</u>	<u>\$ 1,225</u>
Note 6 – Current Assets - Cash Assets		
Cash on hand	100	100
Cash at bank	<u>129,799</u>	<u>209,651</u>
	<u>\$ 129,899</u>	<u>\$ 209,751</u>
Note 7 – Current Assets - Receivables		
Sundry debtors	98,484	71,921
Accrued income	<u>2,860</u>	<u>3,834</u>
	<u>\$ 101,344</u>	<u>\$ 75,755</u>
Note 8 – Current Assets – Other		
Prepayments	<u>\$ 38,830</u>	<u>\$ 42,483</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001**

	2001 \$	2000 \$
Note 9 – Non-current Assets – Property, Plant and Equipment		
<i>Land and Buildings:</i>		
Freehold Land - Swanston Street at independent valuation 1995	<u>167,578</u>	<u>167,578</u>
Buildings - Swanston Street at independent valuation 1995 - less accumulated depreciation	<u>174,677</u> <u>(26,202)</u>	<u>174,677</u> <u>(21,835)</u>
Total buildings at independent valuation	<u>148,475</u>	<u>152,842</u>
TOTAL LAND AND BUILDINGS	<u>316,053</u>	<u>320,420</u>
<i>Plant and Equipment:</i>		
Plant and equipment - at cost Less accumulated depreciation	<u>169,935</u> <u>(131,125)</u>	<u>169,935</u> <u>(118,385)</u>
	<u>38,810</u>	<u>51,550</u>
Plant and equipment - at independent valuation Less accumulated depreciation	<u>57,745</u> <u>(8,664)</u>	<u>57,745</u> <u>(7,220)</u>
	<u>49,081</u>	<u>50,525</u>
TOTAL PLANT AND EQUIPMENT	<u>87,891</u>	<u>102,075</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>\$ 403,944</u>	<u>\$ 422,495</u>

The amount disclosed as Freehold Land - Swanston Street and Buildings - Swanston Street totalling \$342,255 represents the CFMEU Forest & Forest Products Division No. 2 Victorian Branch's-half share of First Floor, 500 Swanston Street, Carlton South. The amount represents the valuation adopted by the Committee of Management at 31st December, 1995 (refer Note 15).

Ownership of the whole property at 500 Swanston Street, Carlton South, is registered in the name of the Union as the Federally registered organisation. The National Executive of the Federal body of the Union has resolved that they are holding Lot 2 (the title to the First Floor) on behalf of the CFMEU Forest & Forest Products Division No. 2 Victorian Branch and the CFMEU Pulp & Paper Workers Division No. 7 Branch equally and that the care, custody and control of the property contained in Lot 2 shall vest with each Branch and shall confer on the No. 2 Branch and the No. 7 Branch exclusive occupancy of the First Floor.

Upon the Federal Executive passing such a resolution acknowledging care, custody and control in the CFMEU Forest & Forest Products Division No. 2 Victorian Branch it also acknowledges that the Victorian Branch shall be responsible for the mortgage loan on the property in an amount of \$550,000.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001 (Cont.)**

**Note 9 – Non-current Assets – Property, Plant
and Equipment (cont.)**

Movements in carrying amounts

	Land and Buildings \$	Plant and equipment \$	Total \$
Balance at the beginning of year	320,420	102,075	422,495
Additions	-	-	-
Disposal	-	-	-
Amortisation/depreciation expense	<u>(4,367)</u>	<u>(14,184)</u>	<u>(18,551)</u>
Carrying amount at the end of financial year	<u>\$ 316,053</u>	<u>\$ 87,891</u>	<u>\$ 403,944</u>
		2001	2000
		\$	\$

**Note 10 – Non-Current Assets –
Other Financial Assets**

Inscribed stock	212,910	223,035
John Curtin Fund	267,376	240,639
Shares in unlisted company	10	10
Term deposit	<u>10,000</u>	<u>10,000</u>
	<u>\$490,296</u>	<u>\$473,684</u>
Amounts realisable within one year	277,376	260,764
Amounts not realisable within one year	<u>212,920</u>	<u>212,920</u>
	<u>\$490,296</u>	<u>\$473,684</u>

Note 11 – Current Liabilities – Payables

Sundry creditors	108,610	89,654
John Curtin Fund	<u>267,376</u>	<u>240,639</u>
	<u>\$375,986</u>	<u>\$330,293</u>

**Note 12 – Current Liabilities –
Interest Bearing Liabilities**

Bank loan secured	<u>\$550,000</u>	<u>\$550,000</u>
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**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
 ABN 30 267 473 953
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER, 2001 (Cont.)**

	2001 \$	2000 \$
Note 13 – Current Liabilities – Provisions		
Employee entitlements		
- Provision for annual leave	26,804	26,110
- Provision for long service leave	52,045	43,689
- Provision for recognition of service	<u>52,978</u>	<u>33,292</u>
	<u>\$131,827</u>	<u>\$103,091</u>

Note 14 – Equity

Total equity at the beginning of the financial year	330,626	386,015
Total changes in equity recognised in the statement of financial performance	<u>(134,304)</u>	<u>(55,389)</u>
Total equity at the end of the financial year	<u>\$ 196,322</u>	<u>\$330,626</u>

Note 15 – Reserves

Asset revaluation reserve	(186,695)	(186,695)
Capital reserve	<u>96,853</u>	<u>96,853</u>
	<u>\$ (89,842)</u>	<u>\$ (89,842)</u>

Note 16 – Operating Lease Commitments

Being for rent of motor vehicles		
Payable:		
- not later than 1 year	69,562	61,033
- later than 1 year but not later than 5 years	<u>19,388</u>	<u>45,775</u>
	<u>\$ 89,950</u>	<u>\$106,808</u>

Note 17 – Segment Reporting

The Union operates predominantly in one industry, being forestry sector. The business operates predominantly in one geographical area being Victoria, Australia.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001 (Cont.)**

	2001 \$	2000 \$
Note 18 – Cash Flow Information		
<i>(a) Reconciliation of Cash</i>		
Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:-		
Cash on hand	100	100
Cash at bank	49,126	22,397
Cash in special purpose fund assets	267,376	240,639
Deposits at call	<u>80,673</u>	<u>187,254</u>
	<u>\$ 397,275</u>	<u>\$ 450,390</u>
<i>(b) Reconciliation of Net Cash Provided by Operating Activities to Net Deficit</i>		
Net deficit	(134,304)	(55,389)
Depreciation	18,551	22,494
Movement in assets and liabilities:		
- (Increase)/decrease in accrued income	974	(100)
- (Increase)/decrease in prepayments	3,653	(11,452)
- (Increase) in sundry debtors	(26,563)	(2,529)
- Increase/(decrease) in creditors	18,956	3,124
- Increase in provision for annual leave	694	3,411
- Increase in provision for long service leave	8,376	8,952
- Increase in provision for recognition of service	<u>19,687</u>	<u>33,292</u>
Cash Flows Provided/(Used) by Operations	<u>\$ (89,976)</u>	<u>\$ 1,803</u>
<i>(c) Credit stand-by arrangement with bank.</i>		
Credit facility	550,000	550,000
Amount utilised	<u>550,000</u>	<u>550,000</u>
Unused credit facility	<u>\$ -</u>	<u>\$ -</u>

The credit facility is a commercial bill with the bank.

(d) There were no non-cash financing or investing activities during the period.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001 (Cont.)**

Note 19 – Financial Instruments

(a) Interest Rate Risk Exposures

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2001	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate			Maturing Non- interest bearing	TOTAL
				Within 1 Year	Within 1 to 5 Years			
		2001 %	2001 \$	2001 \$	2001 \$	2001 \$	2001 \$	
Financial Assets								
Cash	6	2.95	129,799	-	-	100	129,899	
Receivables	7	-	-	-	-	101,344	101,344	
Investments	10	4.25	490,296	-	-	-	490,296	
Total Financial Assets			620,095	-	-	101,444	721,539	
Financial Liabilities								
Payables	11	-	-	-	-	375,986	375,986	
Bank loans	12	5.21	-	550,000	-	-	550,000	
Total Financial Liabilities			-	550,000	-	375,986	925,986	
Net Financial Assets/(Liabilities)			620,095	(550,000)	-	(274,542)	(204,447)	
2000	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate			Maturing Non- interest bearing	TOTAL
				Within 1 Year	Within 1 to 5 Years			
		2000 %	2000 \$	2000 \$	2000 \$	2000 \$	2000 \$	
Financial Assets								
Cash	6	5.00	209,651	-	-	100	209,751	
Receivables	7	-	-	-	-	75,755	75,755	
Investments	10	6.35	473,684	-	-	-	473,684	
Total Financial Assets			683,335	-	-	75,855	759,190	
Financial Liabilities								
Payables	11	-	-	-	-	330,293	330,293	
Bank loan	12	7.20	-	-	550,000	-	550,000	
Total Financial Liabilities			-	-	550,000	330,293	880,293	
Net Financial Assets/(Liabilities)			683,335	-	(550,000)	(254,438)	(121,103)	

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2001 (Cont.)**

	2001	2000
	\$	\$
Note 19 – Financial Instruments (cont.)		
(a) Interest Rate Risk Exposures (cont.)		
Reconciliation of Net Financial Assets to Net Assets		
Net Financial assets as above	(204,447)	(121,103)
Non-Financial assets and liabilities		
Prepayments	8 38,830	42,483
Plant and equipment	9 403,944	422,495
Employee entitlements	13 <u>(131,847)</u>	<u>(103,091)</u>
Net assets per balance sheet	\$ <u>106,480</u>	\$ <u>240,784</u>

(b) Credit Risk Exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

(c) Net Fair Values of Financial Assets and Liabilities

For all financial assets and liabilities listed in Note 19(a) above, the net fair value approximates their carrying amounts. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
ACCOUNTING OFFICER'S CERTIFICATE**

I, Jane Calvert, being the officer responsible for keeping the accounting records of the Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch certify that as at 31st December, 2001, the number of members of the organisation was 2,717.

In my opinion:-

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December, 2001;
- (ii) a record has been kept of all 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 organisation;
- (iii) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation 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 organisation, were made to persons holding office in the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.

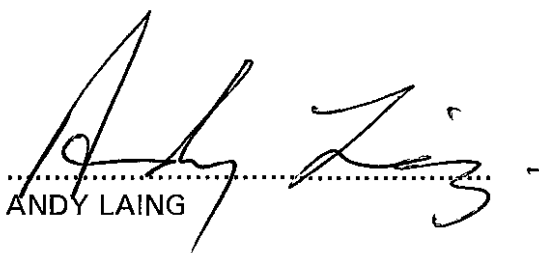

.....
JANE CALVERT - SECRETARY

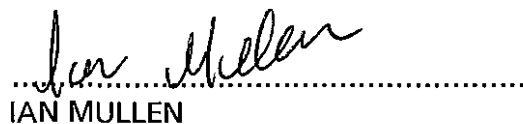
Melbourne: 8th March, 2002

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
COMMITTEE OF MANAGEMENT CERTIFICATE**

We, *Andy Laing* and Ian Mullen being two members of the Committee of Management of the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:-

- (i) in the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December, 2001;
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31st December, 2001, in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the Committee, there have been, during the financial year to which the accounts relate, no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation 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 organisation, 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 organisation; and
- (iv) the organisation has complied with sub sections 279 (1) and (6) of the Act in relation to the financial accounts in respect of the year ended 31st December, 2000, and the Auditor's Report thereon.


.....
ANDY LAING


.....
IAN MULLEN

Melbourne: 8th March, 2002

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
INDEPENDENT AUDITOR'S REPORT**

To the Members of the Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch:

Scope

We have audited the financial report of the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch for the year ended 31st December, 2001, as set out on pages 1 to 15. The Union's Committee of Management and Accounting Officer is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them 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 misreport. 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. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly, in accordance with Accounting Standards, Workplace Relations Act 1996, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and its cash flows.

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

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
INDEPENDENT AUDITOR'S REPORT (cont.)**

Audit Opinion

In our opinion:-

- (a) There were kept by the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch, in respect of the year ended 31st December, 2001, satisfactory accounting records, including:
- (i) record of the sources and nature of the income of the organisation (including income from members); and
 - (ii) records of the nature and purpose of the expenditure of the organisation.
- (b) The attached accounts and statements are prepared in accordance with Section 273 of the Workplace Relations Act 1996, and are properly drawn up so as to give a true and fair view of:
- (i) the financial position of the Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch as at 31st December, 2001; and
 - (ii) the financial performance and deficit of the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch for the year ended on that date.
- (c) We have received all the information and explanation we requested for the purposes of our audit.
- (d) The financial report is drawn up in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER
REGISTERED COMPANY AUDITOR

Melbourne: 8th March, 2002

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
COMPILATION REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2001**

To Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch

Scope

On the basis of the information provided by the Committee of Management of Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch we have complied, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report of Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch for the period ended 30 June 2001 comprising the attached Profit and Loss Statement.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Union's Constitution and are appropriate to meet the needs of the Committee of Management for the purpose of complying with the Union's Constitution.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification of validation of procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Union, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the Union and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS

Melbourne: 8th March, 2002

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2001**

OPERATING INCOME		
Membership contributions	713,219	850,408
Grants received	43,488	-
Interest received	27,042	31,895
Office administrative and other services	39,000	40,438
Sitting fees	4,021	-
Sundry income	<u>20,113</u>	<u>6,684</u>
TOTAL OPERATING INCOME	<u>846,883</u>	<u>929,425</u>
LESS OPERATING EXPENDITURE		
Affiliation fees		
- Australian Asia Workers Links	-	200
- Australian Labour Party	12,880	12,333
- CFMEU National Office	137,334	185,672
- Progressive Union	45	50
- Trades & Labour Council:		
Ballarat	996	609
Geelong	444	207
Gippsland	-	(50)
Goulburn Valley	680	680
North East and Border	509	700
South West	491	400
- Victorian Trades Hall Council	6,368	4,511
- Union Assist	-	448
Bank charges	4,727	4,131
Buildings outgoing	31,940	19,704
Campaign expenses	6,842	6,344
Catering	-	245
Cleaning	4,712	4,670
Computer expenses	8,208	5,628
Conference expenses	3,034	2,130
Depreciation	18,551	22,494
Donations	250	1,225
Fringe benefits tax	14,970	13,473
Insurances	7,925	7,566
Interest paid	41,476	45,552
Journal publication expenses	-	5,292
Levies paid	1,055	998
Meeting expenses		
- Committee of Management	5,341	4,785
- Executive Committee	-	126
- Other	1,210	551
- Sub Branch	-	131
Membership fees	-	595
Motor vehicle expenses	42,613	43,254

This statement should be read in conjunction with the attached compilation report on page 18.

**CONSTRUCTION FORESTRY MINING ENERGY UNION -
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
STATEMENT OF INCOME AND EXPENDITURE FOR
THE YEAR ENDED 31ST DECEMBER, 2001 (cont.)**

	2001 \$	2000 \$
OPERATING EXPENDITURE (cont.)		
Payroll tax	21,273	22,901
Photocopying charges	-	1,999
Postage & freight	838	2,393
Printing & stationery	2,612	5,868
Professional services		
- Accountancy & audit fees	7,470	8,885
- Legal fees	46,520	1,350
Provision for annual leave	694	3,411
Provision for long service leave	8,376	8,952
Provision for recognition of service	19,687	33,292
Rental of motor vehicles	68,663	61,030
Repairs & maintenance	470	1,047
Salaries:		
- officials	288,586	293,818
- employees	52,312	39,818
Staff amenities	1,242	1,765
Subscriptions	635	1,421
Sundry expenses	926	1,666
Superannuation	42,524	39,554
Telephone	38,531	38,855
Training and seminars	1,729	1,168
Travelling expenses	14,880	11,449
Unfair dismissals	150	550
WorkCover	<u>10,468</u>	<u>8,968</u>
TOTAL OPERATING EXPENDITURE	<u>981,187</u>	<u>984,814</u>
NET DEFICIT FOR YEAR	<u>\$ (134,304)</u>	<u>\$ (55,389)</u>

This statement should be read in conjunction with the attached compilation report on page 18.



AUSTRALIAN INDUSTRIAL REGISTRY

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

Ms Jane Calvert
Branch Secretary, Vic Branch, FFPD Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

**Re Financial Return for Construction, Forestry, Mining and Energy Union - FFPD
Division - Vic. Branch for year ended 31 December 2001(FR2001/737)**

Receipt is acknowledged of the above-mentioned financial statements which were lodged
in the Registry on 30 December 2002.

The documents have been filed.

Yours sincerely

Stephen Kellett
Statutory Services Branch

30 December 2002