

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Financial Statements
For the year ended December 31, 2001

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Auditors' Report

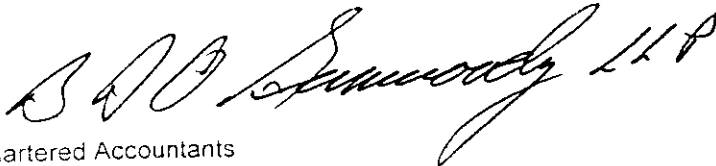
To the Trustees of
The Canadian Commercial Workers Industry
Pension Plan Trust Fund

We have audited the statement of net assets available for benefits of The Canadian Commercial Workers Industry Pension Plan Trust Fund as at December 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The scope of our audit did not extend to an examination of the payroll records of the contributing employers. Our verification of contributions was limited to the amounts recorded in the records of the Fund and we were not able to determine whether any adjustments might be necessary to contributions and net assets available for benefits.

In our opinion, except for the effect of adjustment, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of contributions as referred to above, these financial statements present fairly, in all material respects, the net assets available for benefits of the Fund as at December 31, 2001 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Oakville, Ontario
June 14, 2002

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Statement of Net Assets Available for Benefits

December 31	2001	2000
Assets		
Investments (Note 1)	\$1,077,433,215	\$1,071,709,146
Investments held in trust (Note 2(a))	-	4,342,419
Accrued investment income	4,444,177	4,545,748
Advances (Note 3)	1,889,839	2,104,731
Cash	1,696,731	4,928,804
Contributions receivable	7,441,395	6,213,095
Other receivables	177,597	2,514,968
Prepaid expenses	-	6,957
	1,093,082,954	1,096,365,868
Liabilities		
Accounts payable	673,161	1,001,950
Benefits payable	3,165,406	7,238,309
Deferred pension transfers (Note 2(b))	8,079,005	4,874,501
	11,917,572	13,114,760
Net assets available for benefits	\$1,081,165,382	\$1,083,251,108

On behalf of the Board:

_____ Trustee

_____ Trustee

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31	2001	2000
Increase in assets		
Contributions (Note 4)	\$ 91,274,821	\$ 80,177,342
Investment income (Note 5)	28,119,051	70,564,108
Unrealized adjustment of investments to fair value	(37,407,611)	8,907,860
Total increase in assets	81,986,261	159,649,310
Decrease in assets		
Benefit payments (Note 6)	67,275,734	60,311,853
Expenses		
Administration	3,401,591	3,250,497
Audit	117,894	131,073
Communications project	7,851	154,813
Consulting	947,580	910,737
Custodial fees	696,661	381,908
Education	72,221	71,376
Insurance	43,902	38,994
Investment fees	1,041,233	982,062
Legal	386,180	168,875
Meetings and trustees	135,066	133,668
Physicians' fees	10,989	8,969
Pre-retirement counselling	144,308	137,907
Printing, postage and sundry	289,196	218,120
Provincial filing fee	10,000	10,000
Total expenses	7,304,672	6,598,999
Total decrease in assets	74,580,406	66,910,852
Increase in net assets for the year	7,405,855	92,738,458
Net assets available for benefits, beginning of year	1,083,251,108	798,654,874
Plan transfers (Note 2(c))	(9,491,581)	191,857,776
Net assets available for benefits, end of year	\$ 1,081,165,382	\$ 1,083,251,108

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Summary of Significant Accounting Policies

December 31, 2001

Basis of Presentation

These financial statements are prepared on a going concern basis and present the financial position of the Trust Fund as a separate financial reporting entity independent of the sponsors of the Plan and the Plan members. They present the net assets available for the payment of benefits and the changes during the year in the net assets. They do not purport to show the adequacy of the net assets to meet the pension obligations of the Plan. No provision is made in these statements for the accrued pension rights of members.

The Trustees amended the Plan effective January 1, 1997 to ensure that there were sufficient contributions to fully fund, on a going concern basis, the current benefits being earned and to liquidate the going concern unfunded liability within the time frames required by legislation. The December 31, 2000 actuarial valuation report has been filed with the regulator. The unfunded liability on a going concern basis as at that date was \$97,589,693 which is projected to be paid off within a time frame allowed by the regulators.

Revenue Recognition

Contributions, investment revenues and expenditures are recognized on the accrual basis. Contributions are recorded on the basis of employer contribution reports received in respect of work months up to December 31. Annual contributions reported in these financial statements consist of both current service contributions and, where an obligation existed for an unpaid past service liability, past service contributions.

Investments

Investments are recorded in the financial statements at their estimated fair value. Fair values of assets and liabilities approximate the amounts at which these items could be exchanged in a transaction between arms length parties. Fair value of marketable securities is determined based on the trade price at the end of the year. The Fund owns a number of "I.F. Propco" investment corporations through which it holds various investments. All the corporations are 100% owned by the Fund. Income, other than incidental income in development projects, is recorded as investment income in the Fund. The fair value of the investments in the I.F. Propco corporations is based on the fair value of the underlying assets. The Fund also has equity investments in private companies, which have no readily available market for resale, and the reported values are shown net of any annual write-downs for operating losses unless an alternate method can be used to establish their estimated fair value. The fair value of rental and real estate properties is based on periodic appraisals carried out by independent appraisers. The fair value of loans, bonds, debentures and mortgages have been estimated by comparing them to instruments of similar maturity and risk at the year end.

The determination of the estimated fair values is dependent upon many assumptions. The calculation of estimated fair value is based on market conditions at a specific point in time and in the respective geographic locations and may not be reflective of future fair values.

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Summary of Significant Accounting Policies

December 31, 2001

Investments - (continued) This is particularly true for private companies where the outcome of their development can be difficult to determine. The associated fair values and investment returns will therefore be subject to a variety of risk factors, both specific to the individual investments, and arising from general economic conditions. The actual amounts ultimately realized could differ from the amounts reported in these financial statements. The Fund's primary exposure is to a decline in the long-term real rate of return below that which has been used by the Plan's actuary.

**Foreign Currency
Translation**

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars using the exchange rate in effect at that date. At the year end date, all monetary assets including investments and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Financial Instruments

The Fund's instruments consist primarily of investments. See above for fair value information pertaining to investments.

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Notes to Financial Statements

December 31, 2001

1. Investments (in '000)

The following schedule summarizes the estimated fair value and cost of the Fund's investments which do not include accrued interest and dividends on its marketable securities of \$4.4 million (2000 - \$4.5 million) which are reported separately in the Statement of Net Assets Available for Benefits.

	2001		2000	
	Fair Value	Cost	Fair Value	Cost
Short-term deposits	\$ 31,542	\$ 31,542	\$ 30,065	\$ 30,065
Bonds - Canadian	388,597	308,407	378,849	307,100
- Foreign	3,505	2,421	3,205	2,352
Index-linked mortgages	17,682	15,640	17,795	15,859
Equities - Canadian	113,711	101,782	110,630	85,390
- Foreign	113,552	107,894	104,059	98,304
Investment corporations	408,844	443,370	427,106	424,839
	\$ 1,077,433	\$ 1,011,056	\$ 1,071,709	\$ 963,909

The investment objective of the Fund is to ensure the solvency of the Industry Plan and maximize the real value of the Industry Fund, subject to the requirements contained in its Statement of Investment Objectives, Policies, Goals and Guidelines. The Trustees have determined that, over long periods of time, greater advantage can be obtained for the Industry Fund if investments are made in most major classes of investment. The Fund uses professional investment counsellors and property managers and diversifies its investments in order to reduce the inherent risk associated with such investments.

The Fund's assets are invested in a wide range of Canadian and foreign equities, bonds, debentures and mortgages. The Fund also owns several real estate properties and invests in loans secured by real estate. The Fund has several investments in private corporations, some of which are in their development stages. The ability of such companies to realize the carrying value of their assets is dependent on successfully bringing their technology to market and achieving future profitable operations.

Several of the Fund's loans and mortgages held by the investment corporations contain provisions whereby interest is deferred until a specific date in the future and is capitalized as part of the loan until that date. The amount of capitalized interest included in the above is approximately \$29,000,000 (2000 - \$29,900,000).

The Fund has approximately \$72 million of investments that are in default of their principal and/or interest payments. These investments are secured and the Fund is carrying out whatever procedures it considers appropriate to realize on its security and recover its investment. In such instances, the investments' fair values have been reported at their estimated recovery amount and interest is no longer accrued.

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Notes to Financial Statements

December 31, 2001

1. Investments (in '000) - (Continued)

Index-linked mortgages are long-term loans to Co-operative Housing Associations and the estimated fair value is calculated annually by the Plan's actuary. The interest rate, based on a fixed premium, is linked to the rate of inflation and recalculated each year. The repayment schedule requires monthly payments which are initially less than the interest charged on the loan and payments are increased each year by the rate of inflation. The interest shortfall is calculated and capitalized monthly. After a period of time, the monthly payments become greater than the monthly interest charge and the outstanding balance is reduced accordingly and is repaid in full by the end of the term, which varies between 30 and 35 years. The outstanding balance and accrued interest are fully insured by the Federal Government under the National Housing Act through the Canadian Mortgage and Housing Corporation.

The Fund has established a securities lending program through its agent, Royal Trust, whereby the Fund simultaneously exchanges specific securities for collateral such as treasury bills, short-term paper and letters of credit. The value of the collateral that is provided is 5% to 10% greater than the fair value of the security lent. The borrower pays a fee for the use of the securities that have been loaned which is calculated as a percentage of the fair value of the securities. The fee ranges up to .25% per year. The Fund receives two-thirds of the net proceeds after custodian fees.

The following is a summary of the assets and liabilities, reported at cost, and the revenue and expenses reported on a consolidated basis for the I.F. Propco investment corporations:

	2001	2000
Financial Position		
Land held for future development	\$ 20,113	\$ 20,099
Property under development	17,371	19,397
Rental properties	166,047	110,509
Loans and mortgages receivable	261,363	327,125
Equity interests	5,509	12,513
Marketable securities	3,968	9,479
Loans and mortgages payable	(47,741)	(38,804)
Other operating assets (liabilities)	17,128	(35,388)
	\$ 443,758	\$ 424,930
Results of Operations		
Revenues	\$ 16,101	\$ 43,396
Expenses	(19,312)	(12,415)
	\$ (3,211)	\$ 30,981

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Notes to Financial Statements

December 31, 2001

2. Plan Transfers

(a) Investments Held in Trust

During 1996 and 1997, the assets of the F.W. Fearman's Hourly Pension Plan Trust Fund were transferred to CCWIPP and were held in trust, separate from the Fund's other investments, until certain regulatory matters are resolved. These matters were resolved during 2001 and the assets were transferred into the Fund.

	2001	2000
Investments held in trust, at fair value		
Balance, beginning of year	\$ 4,342,419	\$ 4,218,402
Investment income	-	217,296
Unrealized adjustment of investment to fair value	-	346,474
Realized loss on sale of investments	-	(106,623)
Benefit payments during the year	-	(333,130)
	4,342,419	4,342,419
Investment fees owed to CCWIPP	-	(17,166)
Approved transfer of assets into Fund	(4,342,419)	-
Balance, end of year	(A) \$ -	\$ 4,325,253

(b) Deferred Pension Transfers

In 1996, assets of "Best Brand Meats and Jack Forgan Meat Pension Plan" Trust Fund were transferred to CCWIPP and were included in the Fund's investments. During 2001, the transfer was approved by the Alberta Employment Pension Plans Branch.

	2001	2000
Best Brand Meats and Jack Forgan Meat Pension Plan		
Balance, beginning of year	\$ 549,248	\$ 505,474
Income earned	-	43,774
Approved transfer of assets into Fund	(549,248)	-
Balance, end of year	(B) -	549,248
The Great A & P Company of Canada Ltd.	(C) 8,079,005	-
Total deferred pension transfers	(A + B + C) \$ 8,079,005	\$ 4,874,501

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Notes to Financial Statements

December 31, 2001

2. Plan Transfers - (Continued)

(c) Transfer of Net Assets on Plan Mergers

During 2000/2001, the following assets were transferred to the Trust Fund on approval of the Alberta Employment Pension Plans Branch and the Financial Services Commission of Ontario. Of the monies transferred from the following A & P/UFCW Full and Part Time Plans and the Steinberg/UFCW Plan, \$17,466,122 related to pre-funded benefits of which \$8,079,005 remains available at the year end.

	2001	2000
F.W. Fearman's Hourly Pension Plan Trust Fund	\$ 4,342,419	\$ -
Best Brand Meats and Jack Forgan Meat Pension Plan	549,248	-
Investment fees owed to CCWPP	(17,166)	-
Maple Leaf Foods (Winnipeg)	3,080,040	-
A&P/UFCW Jointly Trusteed Retirement Trust Fund for Full Time Employees Who are Members of Local 175 or 633, UFCW	(10,057,096)	110,599,483
A&P/UFCW Jointly Trusteed Retirement Trust Fund for Part Time Employees Who are Members of Local 175 or 633, UFCW	(1,696,046)	18,651,686
Steinberg/UFCW Jointly Trusteed Pension Plan Trust Fund	(5,692,980)	62,606,607
	\$ (9,491,581)	\$ 191,857,776

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Notes to Financial Statements

December 31, 2001

3. Advances	2001	2000
Prudent Benefits Administration Services Inc. ("PBAS Inc.") (30% owned by CCWIPP)	\$ 1,877,182	\$ 1,881,563
Prudent Benefits Administration Society (without share capital) - inactive	-	1,211
889389 Ontario Ltd. - inactive	-	11,651
Benchmark Decisions Ltd. (100% owned by PBAS Inc.)	12,657	210,306
	\$ 1,889,839	\$ 2,104,731

These balances are non-interest bearing and due on demand.

Prudent Benefits Administration Services Inc. was incorporated on July 11, 1997 under the Canada Business Corporations Act to provide administrative services to the Fund and related benefit trusts. Benchmark Decisions Ltd. was incorporated on August 30, 1999 under the Business Corporations Act (Ontario) to provide consulting services to the Fund and related benefit trusts.

4. Contributions	2001	2000
Employer contributions - 456 employers (2000 - 411)	\$ 90,848,089	\$ 77,672,300
Self-pays	258,637	269,945
Employee contributions	168,095	2,235,097
	\$ 91,274,821	\$ 80,177,342

5. Investment Income	2001	2000
Interest		
Bonds and short-term	\$ 20,771,338	\$ 18,192,294
Trustee directed investment funds	2,726,600	1,976,000
Index-linked mortgages	1,203,003	1,055,909
Dividends	4,217,310	3,407,660
Gain on sale of investments	2,411,706	14,951,258
Income (loss) from investment corporations	(3,210,906)	30,980,987
	\$ 28,119,051	\$ 70,564,108

The Canadian Commercial Workers Industry Pension Plan Trust Fund

Notes to Financial Statements

December 31, 2001

6. Benefit Payments

	2001	2000
Pensions - 13,492 pensioners (2000 - 10,645)	\$ 49,876,729	\$ 41,245,218
Death benefits - 281 payments (2000 - 136)	2,176,189	70,694
Terminations and transfers - 4,924 payments (2000 - 3,858)	19,218,813	17,470,512
Termination and death benefit holdbacks	(3,995,997)	1,525,429
	\$ 67,275,734	\$ 60,311,853

7. Statutory Information

The following is a brief summary of the Plan benefits:

The Canadian Commercial Workers Industry Pension Plan Trust Fund has been created for those members of the United Food and Commercial Workers International Union ("UFCW") or any chartered body which has negotiated a collective agreement that requires an employer to make contributions to the Pension Trust Fund.

The Plan is a defined benefit plan providing a fixed dollar benefit based on the number of hours worked or paid each year. The Plan provides benefits on retirement, death, termination or disablement to qualified members and beneficiaries.

The retirement pension is based on specific pension units credited to a member for each year of credited past and current service. The amount of the pension credited to a member depends on the rate at which contributions are made on the member's behalf and the number of hours credited to the member during each Plan year in which he/she has been employed by an employer who is contributing to the Plan.

A member receives credit for a full year of service in 1992 and later years if, in such Plan year, the number of hours credited to the member is equal to or greater than 2,000 hours. A proportion of a year is credited if fewer hours have been credited to the member.

After completion of 2 years of continuous service or plan membership, as the case may be, full protection of the pension credited to date will occur and, in the event of death, a benefit will be paid to the member's beneficiary.

Normal retirement age is age 65, although the Plan allows for retirement as early as age 50 with a reduced pension.

Actual benefits, including conditions and limitations thereto, are governed by the text of the Plan, as amended from time to time, and reference should be made to the Plan for more detailed information.

8. Comparative Amounts

Certain comparative amounts have reclassified to conform to the current year's method of presentation.