

2010 Annual Report

BC Fluorescent Light Recycling Program



Prepared by:



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1. Program Outline

1.1 Product Care Association

The LightRecycle program is operated by Product Care Association. Product Care is a federally incorporated, not for profit product stewardship association formed in response to stewardship regulations and is governed by a multi sector industry board of directors.

Product Care Association was formed in 2001 as the result of the merger of the BC Paint and Product Care Association and the Consumer Product Care Associations. Paint stewardship was mandated in British Columbia in 1994 followed by flammable liquids, pesticides and gasoline in 1997.

Product Care is involved in the following product stewardship programs in BC. It is noted where Product Care's role is as contracted program manager to another association.

- Paint (established 1994), flammable liquids, pesticide and gasoline (1997);
- LightRecycle program (2010) for residential-use fluorescent light bulbs and tubes;
- Small appliances stewardship program, as program manager contracted by the Canadian Electrical Stewardship Association (CESA) (2011). Program start date August 1, 2011;
- Smoke and CO Alarms – plan submitted on behalf of the Canadian Hardware and Housewares Manufacturers Association (CHHMA) (2011), preparing for implementation;
- Lamps and Fixtures (Industrial and Commercial) –stewardship plan and program development in process. Program start date: July 1, 2012.

Product Care also operates or is developing paint or paint and HHW stewardship programs in five other Canadian provinces: SK, MB, NS, NB, NL.

1.2 Program Products

The LightRecycle program collects fluorescent lamps, including compact fluorescent lamps (CFLs) and fluorescent tubes of all shapes, lengths and diameters that are sold for residential use in British Columbia. While the term “fluorescent lamp” is used by the industry, the program (including promotional materials and this report) utilizes the term “fluorescent light”, as it is more readily recognized and understood by the public at large.

The BC Recycling Regulation requires a program for all lighting equipment by July 1, 2012, including all lamps and lighting fixtures from both the residential and commercial sectors.

2. Educational Materials and Strategies

The following is a summary of promotional materials and strategies used during 2010 to raise consumer awareness of the LightRecycle program:

- **Program Website** – The LightRecycle website, at www.lightrecycle.ca, provides detailed information on the program including depot locations, accepted products and eco-fees. This website received approximately 24,000 hits between July and December 2010.

- **Point of Sale Materials** – Over 82,000 point of sale “postcards” and 1,500 posters (see Appendix B), were distributed to 1,112 retailers, regional districts, municipalities, RCBC and other stakeholders during the program’s launch in the summer of 2010. These materials can be downloaded and printed directly from the program website and are available for reorder by web-form.
- **Point of Return Materials** – Program postcards and posters are also distributed to all program collection sites.
- **Website Linkages** – Product Care coordinates with other parties, including regional districts, BC Hydro and Fortis BC to provide links to the LightRecycle website. The site is also linked from Product Care’s main website.
- **RCBC Recycling Hotline** – The program participates in the Recycling Council of BC (RCBC) hotline service by which consumers can contact RCBC operators and obtain information on how to recycle various products.
- **RCBC Recyclepedia** – The program’s collection sites are included in the RCBC Recyclepedia search engine at <http://rcbc.bc.ca/recyclepedia.ca>
- **Earned Media** – Press releases were distributed to media outlets across the province prior to the program’s launch.
- **Local Government Partnerships** – The program collaborates with local governments by advertising in municipal garbage/recycling calendars, website linkages and by distributing point of sale materials.
- **BC Hydro Partnership** – Information on the program was distributed to about 1.5 million BC Hydro customers in the fall of 2010 as hydro bill inserts and through the BC Hydro e-newsletter.
- **Fortis BC Partnership** – Information was distributed to their customers through the Fortis BC website and newsletter.

3. Collection System

The LightRecycle program operates drop-off locations across BC where residents can return their burnt out compact fluorescent lamps (CFLs) and fluorescent tubes. There is no charge for consumers to drop off their lights. At the end of the 2010 calendar year, this province-wide collection system was comprised of 145 return-to-retail locations, 9 municipal facilities and 11 private recycling depots for a total of 165 collection sites. A complete list of collection sites active by December 31, 2010 is included in Appendix A.

Product Care does not directly own or manage any depots, but contracts with existing collection sites and retailers.

Table 1 - 2010 Collection Site Details

Collection Site Type	# of Collection Sites	% of Sites	% of Units Collected
Retailers	145	88%	38%
Municipal Facilities	9	5%	20%
Private Recycling Depots	11	7%	42%
Total	165	100%	100%

The number of collection sites included in the LightRecycle program has continued to increase since the end of the 2010 calendar year. The program will conduct an accessibility study to determine the percentage of the population within proximity to a collection site after a complete operational year, as outlined in the approved stewardship plan.

In addition to program's 165 collection sites, the program participated in four collection events in 2010 in the communities of Chilliwack, Golden, Kelowna and Langley.

4. Collection Rate

4.1 Units Collected

The LightRecycle program launched the collection of fluorescent lights on July 1, 2010. The number of units collected on a monthly basis increased steadily during the first six months of program operation.

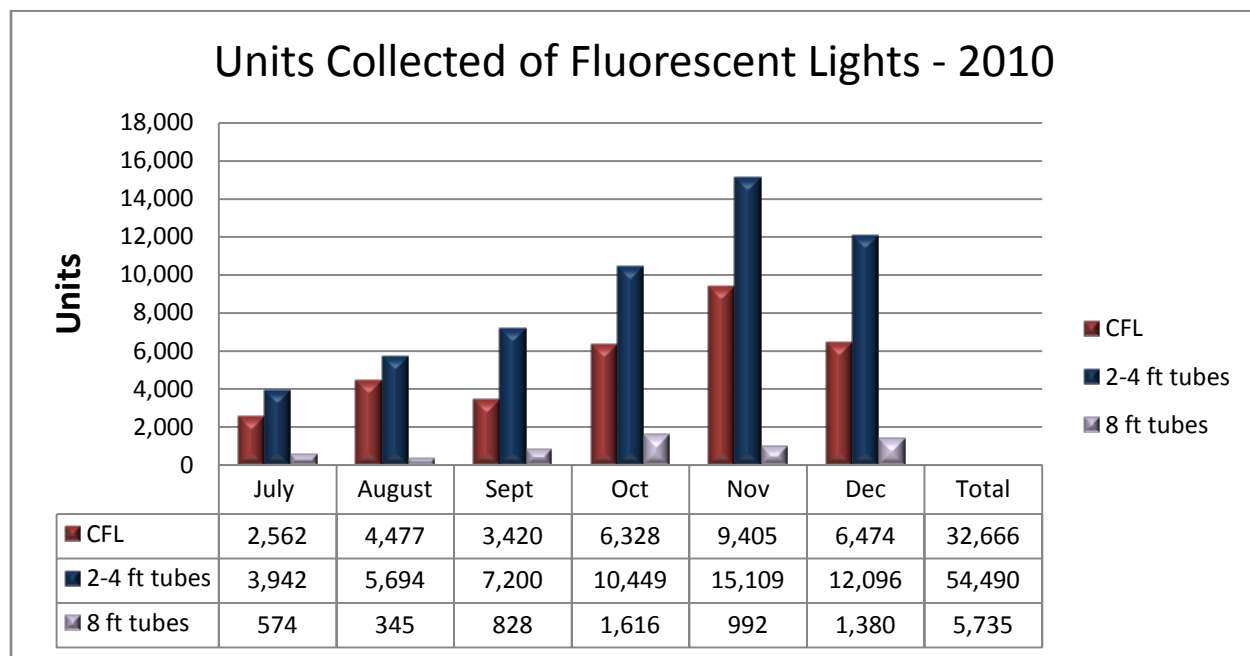
Between July and December 2010, the program collected 32,666 compact fluorescent lamps (CFLs), 54,490 fluorescent tubes between two and four feet and 5,735 eight foot fluorescent tubes, for a total of 92,891 units.¹

Given a population of 4,350,960 (Statistics Canada), the program achieved a per-capita collection rate of .02 units/per person. This value is expected to climb significantly in 2011, which will be a complete calendar year for the program.

Figure 1 below illustrates the number of units collected in the first six months of the program between July and December, 2010. The number of units collected each month has generally continued to increase in the 2011 calendar year.

¹ The number of units collected is extrapolated from the number of full boxes of lights shipped from collection points and an average number of units per box (calculated on a monthly basis from processor reports).

Figure 1 – Units Collected, July – December 2010



4.2 Units Collected by Regional District

Table 2 illustrates the number of units by lamp type collected from each of the province's regional districts between July and December, 2010.

Table 2 – Units Collected by Regional District, July-December 2010*

Regional District	CFL	4 Foot Tubes	8 Foot Tubes
Alberni Clayoquot	200	336	48
Bulkley Nechako	-	140	-
Capital Regional District	2,000	4,368	256
Cariboo ²	-	-	-
Central Coast	-	-	-
Central Kootenay	400	504	48
Central Okanagan	3,800	5,404	400
Columbia Shuswap	300	476	144
Comox Strathcona	200	168	-
Cowichan Valley	1,900	3,416	816
East Kootenay	300	280	16
Fraser Fort George	-	392	32
Fraser Valley	2,200	5,768	672
Kitimat Stikine ¹	-	-	-
Kootenay Boundary ¹	-	-	-
Metro Vancouver	13,800	21,000	1,792

Mt. Waddington	-	-	-
Nanaimo Regional District	4,100	9,016	1,232
North Okanagan	800	1,624	96
Northern Rockies	-	-	-
Okanagan Similkameen	100	140	16
Peace River	400	420	80
Powell River ²	-	-	-
Skeena-Queen Charlotte	-	168	-
Squamish Lillooet	400	252	32
Sunshine Coast	600	364	16
Thompson Nicola	1,000	616	144
TOTAL	32,500	54,852	5,840

¹Depots added in 2011

²Existing depots did not report shipped boxes in 2010, shipments expected in 2011

*Based on average units per box:

- CFLs: 100
- 4 foot: 28
- 8 foot: 16.

Note: Units are shown for comparison purposes only. The totals do not match those in Section 4.1 as a common average has been used for all months.

4.3 Weight Collected

The estimated weight (kg) of fluorescent lights collected by the program between July and December 2010 is set out in Table 3.

Table 3 – Weights Collected, July-December 2010

Unit Type	Units Collected	Average Weight ¹	Weight Collected
Compact Fluorescent Lamps (CFLs)	32,666	100 g	3,367 kg
2-4 Foot Tubes	54,490	272 g	14,821 kg
8 Foot Tubes	5,735	375 g	2,151 kg
TOTAL	92,891		20,339 kg

¹Estimated average weight provided by Electro Federation of Canada, assuming 100% T12 fluorescent tubes and 99% 4 ft/1% 2 ft return split. Sales of T12 tubes are declining and being replaced with smaller diameter tubes, but the majority of returns are still T12. Sampling will be used to improve weight estimates in the future.

4.4 Product Sales

Table 4 illustrates the number of units sold in BC between July and December, 2010, based on the aggregated unit sales reported to Product Care by program members.

Table 4 - Product Sales, July-December 2010

Unit Type	Units Sold
Compact Fluorescent Lamps (CFLs)	1,751,363
Fluorescent Tubes < or = 2 feet	86,265
Fluorescent Tubes > 2 feet and < or = 4 feet	245,200
Fluorescent Tubes > 4 feet	16,373
TOTAL Fluorescent Tubes	347,838
TOTAL	2,099,201

4.5 Capture Rate

The program's approved stewardship plan proposes capture rate targets to measure program performance. A capture rate compares the units collected by the program with the number of units estimated to be "available for collection" during a given period of time, expressed as a percentage. The stewardship plan's capture rate targets increase from 10-12% in 2010 to 40-75% in 2015.

Table 5 compares the program's actual capture rate with the targets outlined in the stewardship plan. The units "available for collection" are taken from the 2010 stewardship plan, and are estimates based on historical sales and average lifespan of the applicable products.

As Table 5 illustrates, the program achieved a capture rate of 10.3% of CFLs compared to the capture rate target of 10-12% for 2010. The program also achieved a capture rate of fluorescent tubes of 20.6%, significantly exceeding the 10-12% target for that category.

Table 5 – Capture Rate, July-December, 2010

	Units Available For Collection ¹	Units Collected Target ¹	TOTAL Units Collected ²	Capture Rate Target ¹	Program Capture Rate ³
CFLs	318,650	31,865	32,666	10-12%	10.3%
Fluorescent Tubes	292,625	29,263	60,225	10-12%	20.6%

¹From the 2010 Stewardship Plan (6 months only)

²From Figure 1, fluorescent tubes combined

³Total units collected divided by total units available for collection

5. Life Cycle Management

The lifespan of fluorescent lights has increased substantially in the last decade, reducing the environmental impact associated with these products. Energy StarTM rated lights can now last up to 12 years, an increase from an average of 3 years in 2003². Smaller diameter fluorescent tubes are now available on the marketplace, which can provide the same or more light with about 50% less material

² Stewardship Ontario (2009). *Draft Consolidated Preliminary Municipal Hazardous and Special Waste Program Plan Volumes I and II*.

resources by weight³. The amount of mercury contained within fluorescent lights has also been decreasing. Electro-Federation members, for example, have decreased the amount of mercury in fluorescent lights by 81.6% by 2006, as measured from a 1990 baseline⁴.

5.1 Pollution Prevention Hierarchy

The program endeavours to manage collected materials as high on the pollution prevention hierarchy as possible. As the program is designed for fluorescent lights that now longer work and cannot be reused, the collected lights are shipped to processor where they are broken down into their component parts and recycled.

The mercury is recovered and reused in lighting products. The metal and glass is recycled and the phosphor powder is sold for reuse in paint products. Table 6 illustrates the quantity of materials recovered/recycled by the program, as reported by the program's processor for the 2010 calendar year (July-December, 2010).

Table 6 – Material Use and Quantities, July-December 2010

Material	Material Use	Quantity Recovered/Recycled
Glass	Recycled	19,123 kg
Metal	Recycled	214 kg
Mercury	Reused in lighting products	1.99 kg
Phosphor Powder	Reused in paint products	297 kg

6. Fee Information

The LightRecycle program is funded by membership fees, known as “eco-fees”, remitted to Product Care by its members based on the volume of sales of residential use fluorescent lights in British Columbia. The eco-fee rates are set by Product Care. In some cases, retailers recover the fees from consumers as a separate visible eco-fee. Program revenues are applied to the operation of the program, including education, collection system, administration, transport, recycling and disposal of collected products as well as a reserve fund. Table 7 illustrates the eco-fee rates for program products in 2010. *Note that the LightRecycle program eco-fee rates are being modified effective October 1, 2011 based on actual program experience.*

³ European Lamp Companies Federation. *Climate, Environment and Health*.

⁴ Personal Communication with Wayne Edwards, Electrical Equipment Manufacturers Association of Canada.

Table 7 – Eco Fees, 2010

Unit Type	Eco Fee
Compact Fluorescent Lamps (CFLs)	\$0.25
Fluorescent Tubes < or = 2 feet	\$0.20
Fluorescent Tubes > 2 feet and < or = 4 feet	\$0.25
Fluorescent Tubes > 4 feet	\$0.40

Appendix A – Collection Sites

2010 Collection Site Locations:

Collection Site	City	Regional District
Canadian Tire #488 Port Alberni	Port Alberni	Alberni Clayoquot
Westcoast Hardware	Port Alberni	Alberni Clayoquot
Burns Lake Home Hardware	Burns Lake	Bulkley Nechako
Houston Recycling	Houston	Bulkley Nechako
Smithers Lumber Yard Ltd	Smithers	Bulkley Nechako
Galiano Trading Co.	Galiano	Capital Regional District
Pender Island Home Building Centre	Pender Island	Capital Regional District
Home Depot Saanich #7055	Saanich	Capital Regional District
Mouatt's Home Hardware	Salt Spring Island	Capital Regional District
Salt Spring Island Recycling Depot	Salt Spring Island	Capital Regional District
Sooke Home Hardware	Sooke	Capital Regional District
Canadian Tire # 368 Victoria	Victoria	Capital Regional District
Hartland Landfill Recycling Depot	Victoria	Capital Regional District
Home Depot Victoria #7074	Victoria	Capital Regional District
London Drugs #14	Victoria	Capital Regional District
London Drugs #29	Victoria	Capital Regional District
London Drugs #46	Victoria	Capital Regional District
London Drugs #54	Victoria	Capital Regional District
Oak Bay Home Hardware	Victoria	Capital Regional District
Century Hardware Ltd.	100 Mile House	Cariboo
Lone Butte Supply Ltd.	100 Mile House	Cariboo
Canadian Tire #487 Quesnel	Quesnel	Cariboo
Canadian Tire #438 Williams Lake	Williams Lake	Cariboo
Kaslo Building Supplies	Kaslo	Central Kootenay
Hipperson Home Hardware	Nelson	Central Kootenay
Nelson Home Hardware Building Centre	Nelson	Central Kootenay
Home Depot Kelowna #7032	Kelowna	Central Okanagan
London Drugs #12	Kelowna	Central Okanagan
The Battery Doctors	Kelowna	Central Okanagan
Lake Country Building Centre	Lake Country	Central Okanagan
Summerland TimberMart	Summerland	Central Okanagan
Home Depot Westbank #7252	Westbank	Central Okanagan
London Drugs #76	Westbank	Central Okanagan
Westbank Home Hardware	Westbank	Central Okanagan
Home Hardware Revelstoke	Revelstoke	Columbia Shuswap
Home Building Centre Salmon Arm	Salmon Arm	Columbia Shuswap
Scotch Creek Home Building Centre	Scotch Creek	Columbia Shuswap

Sorrento Building Centre	Sorrento	Columbia Shuswap
Canadian Tire #437 Campbell River	Campbell River	Comox Strathcona
Home Depot Campbell River #7221	Campbell River	Comox Strathcona
London Drugs #73	Campbell River	Comox Strathcona
Home Depot Courtenay #7177	Courtenay	Comox Strathcona
London Drugs #67	Courtenay	Comox Strathcona
Bings Creek Solid Waste (CVRD)	Duncan	Comox Strathcona
Duncan Home Hardware Bldg Centre	Duncan	Comox Strathcona
Home Depot Duncan #7272	Duncan	Comox Strathcona
London Drugs #77	Duncan	Comox Strathcona
Village of Gold River	Gold River	Comox Strathcona
Peerless Road Recycling (CVRD)	Ladysmith	Comox Strathcona
Lake Cowichan Home Hardware	Lake Cowichan	Comox Strathcona
Meade Creek Recycling (CVRD)	Lake Cowichan	Comox Strathcona
Home Depot Cranbrook #7255	Cranbrook	East Kootenay
Home Hardware Cranbrook	Cranbrook	East Kootenay
Fernie Home Building Center	Fernie	East Kootenay
Central Builders' Supply Prince George	Prince George	Fraser Fort George
Home Depot Prince George #7171	Prince George	Fraser Fort George
London Drugs #51	Prince George	Fraser Fort George
Abbotsford Community Services Recycling	Abbotsford	Fraser Valley
Canadian Tire #434 Abbotsford	Abbotsford	Fraser Valley
Home Depot Abbotsford #7141	Abbotsford	Fraser Valley
London Drugs #16 - Abbotsford	Abbotsford	Fraser Valley
Wilway Lumber	Abbotsford	Fraser Valley
Canadian Tire #433 Chilliwack	Chilliwack	Fraser Valley
London Drugs #41	Chilliwack	Fraser Valley
London Drugs #55	Mission	Fraser Valley
Mission Recycling Depot	Mission	Fraser Valley
Grand Forks Home Hardware	Grand Forks	Kootenay Boundary
Rossland Pro Hardware	Rossland	Kootenay Boundary
Canadian Tire #603 Burnaby	Burnaby	Metro Vancouver
Home Depot Burnaby #7047	Burnaby	Metro Vancouver
London Drugs #25	Burnaby	Metro Vancouver
London Drugs #56	Burnaby	Metro Vancouver
London Drugs #6	Burnaby	Metro Vancouver
London Drugs #71	Burnaby	Metro Vancouver
Home Depot Coquitlam #7045	Coquitlam	Metro Vancouver
London Drugs #15	Coquitlam	Metro Vancouver
London Drugs #17	Delta	Metro Vancouver
London Drugs #37	Delta	Metro Vancouver

Tsawwassen Home Building Centre	Delta	Metro Vancouver
Home Depot Langley #7041	Langley	Metro Vancouver
London Drugs #18	Langley	Metro Vancouver
London Drugs - Maple Ridge	Maple Ridge	Metro Vancouver
Maple Ridge Lighting	Maple Ridge	Metro Vancouver
Ridge Meadows Recycling Society	Maple Ridge	Metro Vancouver
London Drugs #3	New Westminster	Metro Vancouver
The City of New Westminster Recycle Depot	New Westminster	Metro Vancouver
London Drugs #5	North Vancouver	Metro Vancouver
Pearson's Home Hardware	North Vancouver	Metro Vancouver
Canadian Tire #609 Port Coquitlam	Port Coquitlam	Metro Vancouver
Home Depot Port Coquitlam #7145	Port Coquitlam	Metro Vancouver
Canadian Tire #610 Richmond	Richmond	Metro Vancouver
Home Depot Richmond #7043	Richmond	Metro Vancouver
Home Hardware - Richmond	Richmond	Metro Vancouver
London Drugs #11	Richmond	Metro Vancouver
London Drugs #52	Richmond	Metro Vancouver
Richmond Recycling Depot	Richmond	Metro Vancouver
London Drugs #42	South Surrey	Metro Vancouver
Canadian Tire #678 Surrey	Surrey	Metro Vancouver
Canadian Tire #443 Surrey (Newton)	Surrey	Metro Vancouver
Home Depot South Surrey #7044	Surrey	Metro Vancouver
Home Depot Surrey North #7046	Surrey	Metro Vancouver
Home Depot Surrey(Whiterock) #7122	Surrey	Metro Vancouver
London Drugs # 81	Surrey	Metro Vancouver
London Drugs #75	Surrey	Metro Vancouver
London Drugs #8	Surrey	Metro Vancouver
London Drugs #9	Surrey	Metro Vancouver
Shell Busey's House Smart	Surrey	Metro Vancouver
Southridge Building Supplies Ltd	Surrey	Metro Vancouver
Blight's Home Hardware	Vancouver	Metro Vancouver
Canadian Tire #604 Vancouver	Vancouver	Metro Vancouver
Hewer Home Hardware	Vancouver	Metro Vancouver
Home Depot Vancouver #7042	Vancouver	Metro Vancouver
Home Depot Vancouver Cambie #7259	Vancouver	Metro Vancouver
Kerrisdale Lumber Co Ltd	Vancouver	Metro Vancouver
London Drugs #10	Vancouver	Metro Vancouver
London Drugs #19	Vancouver	Metro Vancouver
London Drugs #2	Vancouver	Metro Vancouver
London Drugs #28	Vancouver	Metro Vancouver
London Drugs #4	Vancouver	Metro Vancouver

London Drugs #50	Vancouver	Metro Vancouver
London Drugs #53	Vancouver	Metro Vancouver
London Drugs #7	Vancouver	Metro Vancouver
London Drugs #74	Vancouver	Metro Vancouver
London Drugs #78	Vancouver	Metro Vancouver
Home Depot Park Royal #7035	West Vancouver	Metro Vancouver
London Drugs #44	West Vancouver	Metro Vancouver
Simpson Home Hardware	West Vancouver	Metro Vancouver
Dunlop's Home Hardware Building Centre	Port Hardy	Mt. Waddington
7 Mile Landfill and Recycling Center	Port McNeil	Mt. Waddington
Applecross Home Hardware	Nanaimo	Nanaimo Regional District
Canadian Tire # 362- Nanaimo	Nanaimo	Nanaimo Regional District
Home Depot Nanaimo #7040	Nanaimo	Nanaimo Regional District
London Drugs #36	Nanaimo	Nanaimo Regional District
London Drugs #72	Nanaimo	Nanaimo Regional District
Nanaimo Recycling Exchange Society	Nanaimo	Nanaimo Regional District
Albertson's Home Center	Parksville	Nanaimo Regional District
Parksville Home Building Centre	Parksville	Nanaimo Regional District
Dolly's Home Hardware	Qualicum Beach	Nanaimo Regional District
Shepherds Home Hardware	Armstrong	North Okanagan
Home Building Centre Vernon	Vernon	North Okanagan
Home Depot Vernon #7084	Vernon	North Okanagan
London Drugs #39	Vernon	North Okanagan
Sun Dial Lighting	Vernon	North Okanagan
Venture Training Vernon	Vernon	North Okanagan
Canadian Tire #351 Penticton	Penticton	Okanagan Similkameen
Home Hardware Penticton	Penticton	Okanagan Similkameen
London Drugs #70	Penticton	Okanagan Similkameen
Chetwynd Home Hardware	Chetwynd	Peace River
R Home Supply Centre	Dawson Creek	Peace River
Eco-Depot Recycling Centre	Fort St John	Peace River
Canadian Tire #480 Powell River	Powell River	Powell River Regional District
Skeena Queen Charlotte Regional Recycling	Prince Rupert	Skeena-Queen Charlotte
Pemberton Valley Hardware	Pemberton	Squamish Lillooet
Home Depot Squamish #7053	Squamish	Squamish Lillooet
London Drugs #80	Squamish	Squamish Lillooet
Squamish Home Hardware	Squamish	Squamish Lillooet
Gibsons Building Supplies	Gibsons	Sunshine Coast
Gibsons Recycling Depot	Gibsons	Sunshine Coast
London Drugs #61	Gibsons	Sunshine Coast

Trail Bay Hardware	Sechelt	Sunshine Coast
Chase Hardware Building Centre	Chase	Thompson Nicola
Home Depot Kamloops #7144	Kamloops	Thompson Nicola
London Drugs #35	Kamloops	Thompson Nicola
The Lampost	Kamloops	Thompson Nicola
Home Hardware Merritt	Merritt	Thompson Nicola

Appendix B – Point of Sale Materials

Program Postcard:



Burnt Out?

Recycle your fluorescents

**LightRecycle**

To find the LightRecycle drop-off location nearest you visit www.lightrecycle.ca or call **1-800-667-4321**



Do it right! Drop off your used fluorescent lights and tubes for safe recycling.

Responsible: Keep your used fluorescent lights and tubes out of the landfill. Bring them to a LightRecycle drop-off location for safe recycling, free of charge. Do not put fluorescents in the garbage or the blue box/bag. *Residential-use fluorescent lights only.* No LED, halogen, incandescent or commercial-use lights accepted.

Safe: Handle fluorescent lights carefully. Do not break or puncture. Wrap lights in paper or place them in original packaging before taking them to a LightRecycle drop-off location. For information on safe handling and clean up, visit Health Canada's website at www.hc-sc.gc.ca or call BC's Recycling Hotline at **1-800-667-4321**.

Easy: Visit www.lightrecycle.ca or call **1-800-667-4321** to find the LightRecycle drop-off location nearest you.



LightRecycle - The BC Fluorescent Light Recycling Program, brought to you by Product Care



Program Poster:

Burnt Out?



Recycle your
fluorescents



Do it right! Drop off your used fluorescent lights and tubes to a LightRecycle location for safe recycling.

Visit www.lightrecycle.ca or call **1-800-667-4321** to find the LightRecycle drop-off location nearest you.



LightRecycle locations accept residential-use fluorescent lights only. No LED, halogen, incandescent or commercial-use lights accepted.

LightRecycle - The BC Fluorescent Light Recycling Program, brought to you by Product Care



PRODUCT CARE ASSOCIATION

FINANCIAL STATEMENTS

31 DECEMBER 2010

PRODUCT CARE ASSOCIATION

Financial Statements

For the year ended 31 December 2010

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ROLFE, BENSON LLP

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INDEPENDENT AUDITORS' REPORT

To the Members,
Product Care Association

Report on the Financial Statements

We have audited the accompanying financial statements of Product Care Association, which comprise the statement of financial position as at 31 December 2010, and the statement of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





ROLFE, BENSON LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT - Continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Product Care Association as at 31 December 2010, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Rolfe, Benson LLP

CHARTERED ACCOUNTANTS

Vancouver, Canada
10 June 2011



PRODUCT CARE ASSOCIATION
Statement of Financial Position
31 December 2010

	2010	2009
<hr/>		
Assets		
Current		
Cash and short-term investments	\$ 2,036,120	\$ 2,050,531
Accounts receivable	1,591,524	893,443
Prepaid expenses and deposits	66,737	64,113
	<u>3,694,381</u>	<u>3,008,087</u>
 Reserve - at market (Note 3)	 8,439,952	 7,618,264
Capital assets (Note 4)	<u>210,750</u>	<u>211,089</u>
	 <u>\$ 12,345,083</u>	 <u>\$ 10,837,440</u>

Liability

Current		
Accounts payable and accrued liabilities	\$ 1,724,030	\$ 1,590,852

Commitments (Note 5)

Members' Equity

Reserve - restricted (Note 3)	8,439,952	7,618,264
Invested in capital assets	210,750	211,089
Unrestricted	<u>1,970,351</u>	<u>1,417,235</u>
	<u>10,621,053</u>	<u>9,246,588</u>
	 <u>\$ 12,345,083</u>	 <u>\$ 10,837,440</u>

APPROVED BY THE DIRECTORS:

"Dick Glassford" Director

"Dave Russell" Director

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION
Statement of Changes in Net Assets
For the year ended 31 December 2010

	Unrestricted	Invested in Capital Assets	Internally Restricted Reserve	Total 2010	Total 2009
Net assets - beginning of year	\$ 1,417,235	\$ 211,089	\$ 7,618,264	\$ 9,246,588	\$ 8,799,618
Excess of revenues over expenses for the year	1,374,465	-	-	1,374,465	446,970
Transfer to reserve	(821,688)	-	821,688	-	-
Transfer to invested in capital assets, net	339	(339)	-	-	-
Net assets - end of year	\$ 1,970,351	\$ 210,750	\$ 8,439,952	\$ 10,621,053	\$ 9,246,588

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION
Statement of Operations
For the year ended 31 December 2010

	2010	2009
Revenues	\$ 7,875,857	\$ 6,580,038
Operating expenses		
Collection, disposal, transportation and event advertising	6,200,620	6,289,955
Gross margin	<u>1,675,237</u>	<u>290,083</u>
Administrative expenses		
Technical, professional, management and communication	669,505	617,735
Association and depot start up costs	247,535	120,229
Office, rent and travel	211,656	175,238
	<u>1,128,696</u>	<u>913,202</u>
Excess (deficiency) of revenues over expenses from operations	<u>546,541</u>	<u>(623,119)</u>
Other income		
Investment income	196,645	197,215
Interest income	6,236	8,020
Gain on sale of investments	873	738
Unrealized gain on investments	624,170	864,116
	<u>827,924</u>	<u>1,070,089</u>
Excess of revenues over expenses for the year	<u>\$ 1,374,465</u>	<u>\$ 446,970</u>

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION
Statement of Cash Flows
For the year ended 31 December 2010

	2010	2009
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ 1,374,465	\$ 446,970
Items not involving cash		
Market value adjustment to reserve	(624,170)	(864,116)
Amortization	105,979	48,911
	<u>856,274</u>	<u>(368,235)</u>
Changes in non-cash working capital balances	(567,528)	429,630
	<u>288,746</u>	<u>61,395</u>
Investing activities		
Transfer to reserve	(197,517)	(197,954)
Purchase of capital assets	(105,640)	(238,942)
	<u>(303,157)</u>	<u>(436,896)</u>
Financing activity		
Receipt of deferred revenue	-	(208,890)
Net increase (decrease) in cash and short-term investments	(14,411)	(584,391)
Cash - beginning of year	<u>2,050,531</u>	<u>2,634,922</u>
Cash - end of year	<u>\$ 2,036,120</u>	<u>\$ 2,050,531</u>
Cash consists of:		
Cash and short-term investments	\$ 1,019,396	\$ 635,719
Money market fund	-	899,568
Term deposit	1,016,724	515,244
	<u>\$ 2,036,120</u>	<u>\$ 2,050,531</u>
Supplemental Cash Flow Information:		
Interest received	\$ 6,236	\$ 9,786

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2010

1. Incorporation of Product Care Association

On 7 May 2001, Letters Patent were obtained for the creation of Product Care Association. The new entity is the result of the amalgamation of PPC Paint and Product Care Association with Product Care Association on 1 July 2001. The Association is a not-for-profit organization and as such, the Association is not subject to income taxes.

The Association was created to collect and dispose of paint, aerosols, solvents, pesticides, gas and other household waste in an environmentally safe manner as mandated by various provinces.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Leasehold improvements	5 years
Storage Depots	5 years
Office Equipment	2 years
Depot Equipment	3 and 5 years

(b) Revenue recognition

Revenue from eco-fees is recognized at the time an eco-fee applicable product is sold by a member of the Association, and the eco-fee becomes due and payable.

Investment income includes interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statement of operations. Unrestricted investment income is recognized as revenue when earned.

(c) Investments

The Association has elected to classify all of its investments as held-for-trading, and accordingly they are recorded at fair value. Changes in fair values during the year are included in revenue or expenditures on the statement of operations.

Quoted market prices were used to determine the fair value of the investments as at the year end date.

PRODUCT CARE ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2010

2. Summary of significant accounting policies - Continued

(d) 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(e) Future accounting changes

Changes in accounting framework

The Association is classified as a not-for-profit organization. The Association will be required to adopt a new accounting framework and the options are Canadian Accounting Standards for Not-for-Profit Organizations or International Financial Reporting Standards (IFRS), effective for fiscal years beginning on or after 1 January 2012. The Association is in the process of reviewing the potential impact of these two accounting standards on its reporting framework and financial statements.

3. Reserve

The reserve fund was established to (1) respond to environmental impairment liability exposures and director and officers liability exposures up to predetermined levels in conjunction with the overall insurance program and (2) to fund the ongoing operations and various other projects of the Association from time to time. The amount is internally restricted and expenditures from the reserve are at the discretion of the board of directors. Transfers to the reserve fund are made upon resolutions passed by the Board of Directors. During the year there were no transfers to the reserve fund.

The assets in the reserve fund consist of cash and investments in fixed income and equity securities and are independently managed. All income earned on these investments are initially reported in the unrestricted fund and then transferred to the reserve fund. During the year \$821,688 (2009 - (\$1,062,070)) was transferred from the unrestricted fund to the reserve fund, which included an unrealized gain of \$624,170 at 31 December 2010 and realized investment income of \$197,518.

PRODUCT CARE ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2010

4. Capital assets

	Cost	Accumulated Amortization	2010 Net	2009 Net
Depot equipment	\$ 861,202	\$ 666,936	\$ 194,266	\$ 199,912
Office equipment	78,259	61,775	16,484	11,177
Leasehold improvements	483,749	483,749	-	-
Storage depots	576,096	576,096	-	-
	<u>\$ 1,999,306</u>	<u>\$ 1,788,556</u>	<u>\$ 210,750</u>	<u>\$ 211,089</u>

5. Commitments

During the year, the Association renewed its lease agreement for a further 60 month lease term on the Surrey office and building facility which expires on 31 January 2016. The lease includes a clause that the Association can terminate the lease with six months notice.

The annual lease payments are as follows:

2011	\$ 96,476
2012	128,571
2013	128,571
2014	128,571
2015	128,571
Thereafter	<u>10,714</u>
	<u>\$ 621,474</u>

Additionally, at year end the Association had unprocessed product on hand with an estimated cost to process, transport and recycle of \$58,323 which will be incurred during 2011.

6. Management of capital

The Association considers its capital to be its net assets invested in capital assets and its unrestricted and restricted net assets. The Association manages its capital primarily through its investments and adheres to the guidelines of the Association's investment policies. There have been no changes to these guidelines during the year. In addition, the Association's capital is restricted for the purposes as described in Note 3.

PRODUCT CARE ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2010

7. Financial instruments

The Association has elected to use the exemption provided by the CICA permitting not-for-profit organizations not to apply the CICA Handbook Section 3862 "Financial Instruments - Disclosure" and Section 3863 "Financial Instruments – Presentation" which would otherwise have applied to the financial statements. The Association applies the requirements of Section 3861 of the CICA Handbook.

The Association's financial instruments consist of cash and short-term investments, accounts receivable, reserve and accounts payable and accrued liabilities.

(a) Fair value

Cash and short-term investments are classified as held for trading, accounts receivable as loans and receivables and accounts payable and accrued liabilities as other liabilities and are measured at their carrying amounts since it is comparable to their fair value due to the approaching maturity of these financial instruments.

The reserve is classified as held-for-trading financial assets. They are measured at fair value, determined on the basis of market value.

(b) Credit risk

The Association's financial instruments that are exposed to concentrations of credit risk consist of cash and accounts receivable. Cash is in place with major financial institutions. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers. The Association has evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible.

8. New Brunswick Paint Recycling Program

The New Brunswick Paint Recycling Program was developed by Product Care Association on behalf of the paint industry in response to the New Brunswick "Designated Materials Regulation". The program has been approved by the government agency, Recycle New Brunswick, for a three year period commencing 1 April 2009. The Association operates the New Brunswick Paint Recycling Program on behalf of the paint industry "brand owners" who are the manufacturers and retailers of household paint in New Brunswick.

2010 Results:

The Association collects the eco fees from the NB members and subsequently pays the depots and processors for collection and disposal of paint. In 2010, eco fee revenue relating to the NB program was \$1,038,929 (2009 - \$808,732) and expenses relating to collection, processing, and administration for the NB program were \$743,231 (2009 - \$836,288).

PRODUCT CARE ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2010

9. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2010 financial statements.