

**AUDITOR'S REPORT**

To The Directors Of  
**Brewers' Distributor Ltd. – British Columbia**

I have audited sections a) and b) of the annual container stewardship report dated July 05, 2007, of **Brewers' Distributor Ltd. – British Columbia** for the year ended March 31, 2007. The attached information is the responsibility of the Company's management and has been prepared to enable the Company to report to the Environmental Management Branch-Environment Protection Division and not to report on **Brewers' Distributor Ltd. – British Columbia** as a separate legal entity. My responsibility is to express an opinion on this information based on my audit.

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

In my opinion, the annual container stewardship report presents fairly, in all material respects, the container sales and returns related to **Brewers' Distributor Ltd. – British Columbia** for the year ended March 31, 2007.

Calgary, Alberta  
July 05, 2007



**CHARTERED ACCOUNTANT**



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July 05, 2007

Charles Porter  
Director, Environmental Management Branch  
Environment Protection Division  
PO Box 9342 Stn Prov. Gov.  
Victoria, B.C. V8W 9M1

Fax: (250) 387-8897

Dear Mr. Porter,

As per the Beverage Container Stewardship Program Regulations, the following is Brewers' Distributor Ltd. annual report detailing the effectiveness of our stewardship plan during the period April 1, 2006 to March 31, 2007. Note that this information is commercially confidential, and is for review only by the Ministry of the Environment, Lands and Parks.

- a) *The recovery rate, by regional district and container type, expressed as a percentage and independently audited.*

Recovery rates are given in the following table.

**Audited**

Container Type	Sales Dozens	Returns Dozens	Recovery Rate
Cans	34,188,302	30,509,527	89.24%
Industry Standard Bottles	11,989,516	11,121,626	92.76%
Non-Industry Standard Bottles (Refillable)	3,529,943	3,559,165	100.8%

\* Sales for the Non-Industry Standard Bottle (Refillable) have been provided by British Columbia Liquor Distribution Branch.

- b) *Annual financial statements, prepared by an independent audit, of all deposits received and refunds paid by the brand owners covered under the plan.*

Deposits received and refunds paid can be reasonably estimated by multiplying sales in dozens by \$1.20, and returns in dozens by \$1.20:

Container Type	Deposits Received	Refunds Paid
Cans	\$41,025,962	\$36,611,432
Industry Standard Bottles	\$14,387,419	\$13,345,951
Non-Industry Standard Bottles (Refillable)	\$4,235,931	\$4,270,998

- c) *The percentage of containers that were refilled or recycled after the collection and, if recycled, how utilized.*

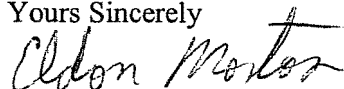
The vast majority of bottles are refilled. However, a small percentage of these bottles are culled out because they are unsuitable for refilling. On average, each bottle is refilled 15 times. The culled glass is sent to a glass facility for destruction and subsequent use in the remanufacture of bottles and various other uses.

All the cans recovered are crushed into biscuits and shipped to an aluminum recycler.

- d) *How much of the stewardship plan has been implemented during the previous calendar year, what has not been implemented, and why it has not been implemented.*

Our stewardship plan is fully implemented.

Yours Sincerely



Eldon Moston,  
BDL Inventory Manager

.cc Beau Pyatt, Garry Clermont, Derek Drummond-Young, Alison Howden