

June 28, 2011

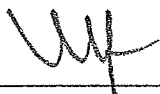
To: Brewer's Distributor Ltd. – British Columbia

As specifically agreed, we have performed test procedures at Brewer's Distributor Ltd. – British Columbia in ("the Agency") as described in this letter for the year ended December 31, 2010 over certain non-financial information related to:

1. BC Reg449/2004, Section 8(2)(b) – the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report;
2. BC Reg449/2004, Section 8(2)(d) – a description of how the recovered product was managed in accordance with the pollution prevention hierarchy; and,
3. BC Reg449/2004, Section 8(2)(e) – the total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate.

The results of applying the procedures are detailed in the attached Appendix. These procedures do not constitute an audit of the Agency's non-financial information and therefore, we express no opinion on the overall accuracy or completeness of the non-financial information of the Agency for the year ended December 31, 2010.

This letter is for use solely by Brewer's Distributor Ltd. – British Columbia in connection with their consideration of the accuracy and completeness of certain non-financial information as reported by Brewer's Distributor Ltd. – British Columbia in for the year ended December 31, 2010.



S.T. Yeung Professional Corporation
Chartered Accountants
301 – 901 Centre Street NW
Calgary, Alberta
T2E 2P6

For the following procedures, test samples were selected from the December 31, 2010, unless otherwise noted:

Non-Financial Information Requirements: BC Reg449/2004, Section 8 (2) (b) - the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report:

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
1.1	To obtain comfort over the existence and accuracy of the collection facilities reported in the Agency's annual report	<ol style="list-style-type: none"> 1 For the period under review, obtain a listing of all Collection Facilities from the Agency broken out by type (if applicable). 2 Compare total count of collection facilities from the listing with the annual report: investigate any discrepancies with the Agency as applicable. 3 Randomly select a sample of Collection Facilities and obtain the business file for each. Review each file to determine that a registration form meets the following criteria: <ol style="list-style-type: none"> a. A registration form exists for the Collection Facility. b. The registration form lists contact information and location, which agrees with the detailed listing. c. The registration form is signed by the Collection Facility. 4 Using contact information on the Facility listing provided in #1 above, phone each randomly selected Collection Facility to verify their existence and that they have an adequate understanding of the program. 	No exception

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
1.2	To obtain comfort over the completeness, consistency, and validity of the number of Collection Facilities.	<ol style="list-style-type: none"> 1 Obtain the historical data for the total number of collection facilities for the past 3 years as reported by the Agency in their annual reports 2 Investigate any fluctuations greater than 5% to understand the reason for the fluctuation in the number of collection facilities. 	No exception

Non-Financial Information Requirements: BC Reg449/2004, Section 8 (2) (d) - A description of how the recovered product was managed in accordance with the pollution prevention hierarchy

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
<p><i>[Where Processors/Manufacturers etc, are subject to audit around their product management practices, only Step 2.1 as well as substeps 1-3 in test 2.2 should be completed. Where Processors/Manufacturers etc are not subject to audit, Test 2.1 is not relevant, but Test 2.2 should be completed in its entirety.]</i></p>			
2.1	<p>To obtain comfort over the effective weight of end-use product collected and the accuracy of the manufacturer's receipt of weight of product.</p>	<ol style="list-style-type: none"> 1 Where available, obtain the 3rd party auditors opinion over registered processors/manufacturers compliance with waste management or program specific guidelines for managing product appropriately. 2 Ensure the auditor's opinion is unqualified. 	
2.2	<p>To obtain comfort over the accuracy, completeness and existence of end-use of the product collected and the accuracy of the manufacturer's or processor's receipt of weight of product, test on a sample basis the deliveries of product recovered to their end-use (or next</p>	<ol style="list-style-type: none"> 1 Obtain a schedule/listing of products shipped to processors/manufacturer for the period under review. The listing should provide: <ol style="list-style-type: none"> a. The processor/manufacturer name/address. b. The total weight of the product weighted at the collection site of consolidation site (where applicable). c. The total weight of the product weighted at the processor/manufacturer. d. The date of delivery to the processor/manufacturer. 2 Obtain a listing of all registered processors/manufacturers. 	<p>No exception</p>

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
	along the custody chain).	<p>3 Scan listing to ensure that all receivers of product were approved processors/manufacturers. If there is not a listing of approved manufacturers/processors, ensure that the manufacturer is not a related party to the processor by researching the related parties of each organization and ensuring that the transaction was made at arm's length.</p> <p>4 Randomly select shipments and obtain a copy of the invoice or other supporting documentation.</p> <p>5 Verify that each Invoice or other supporting document has evidence of the weight of the product shipped by the Processor and received by the customer.</p> <p>6 Compare the total weight listed on the Invoice of other supporting documentation with the weight listed on the detailed listing received in #1 and note any discrepancies.</p>	<p>No exception</p> <p>No exception</p> <p>No exception</p>

Non-Financial Information Requirements: BC Reg449/2004, Section 8 (2) (e) - The total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate.

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
<i>[If a 3rd party audits the Agency's schedule of product collected (recovery rate), complete only step 3.1. If no audit is performed, complete steps 3.2 through 3.4]</i>			
3.1	To ensure that there were no qualifications within the auditor's opinion over the schedule of product recovered.	<ol style="list-style-type: none"> 1 Obtain the Auditor's Opinion over the Schedule of Product Recovered for the most recent fiscal year. 2 Review the opinion to ensure that there are no qualifications. 3 Check the mathematical accuracy of the calculated recovery rate (where applicable), as reported in the audited financial statements. 4 Compare calculated recovery rate to the recovery rate reported by the agency in their annual audited report. Note any discrepancies. 	
3.2	To ensure the accuracy and completeness of total product sold.	<p>Note that the financial statements, in the case of most agencies, include revenues from eco-fees which are tied to the total product sales.</p> <ol style="list-style-type: none"> 1 Obtain the Financial Statement Auditor's Opinion for the most recent fiscal year. 2 Review the opinion to ensure that there are no qualifications. 3 Obtain a schedule to eco-fees by product type from the agency (in total and by unit). 	<p>No exception</p> <p>No exception</p> <p>No exception</p>

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
		<p>4 Compare the total eco-fees collected from the above schedule to the total reported in the Agency's financial statements (as opined by the financial statement auditor).</p> <p>5 Recalculate the product sold by unit by dividing the total fees by product type by the per unit fee to arrive at total product sold for each unit.</p> <p>6 Compare calculated total product sold to the amounts reported by the Agency in their annual report. Note any discrepancies.</p>	<p>No exception</p> <p>No exception</p> <p>No exception</p>
3.3	<p>To obtain comfort over completeness, accuracy, cutoff and validity of the total product recovered, test on a sample basis, the collection of product recovered.</p>	<p>1 Obtain a listing of product shipments (for each product the Agency manages) from collection facilities for the period under review with the following details:</p> <ul style="list-style-type: none"> a. The collection Facility name/address b. The date of collection from the facility. c. The consolidation site or processor to which the product was delivered. d. The date of delivery to the consolidation site or processor. e. The amount of product collected (in units and in weight, where applicable). <p>2 Compare the total weight of product collected from the detailed listing to the report total of product recovered from the Agency's annual report.</p> <p>3 Scan the detailed listing to ensure that there were no collections that were outside of the organization's fiscal year.</p>	<p>No exception</p> <p>No exception</p> <p>No exception</p>

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
		<p>4 Randomly select shipments and obtain the supporting document (Bill of Lading or other support) to verify the amount of product shipped.</p> <p>5 Verify that each of the supporting documents received has appropriate evidence of the total product shipped and weight of product received by the consolidation site supported by a scale ticket or like support, and signatures by the collection facility, consolidation site and hauler/transporter.</p> <p>6 Confirm that the total product (in units/weight etc.) listed on the supporting document matches the total listed on the detailed listing.</p>	<p>No exception</p> <p>No exception</p>
3.4	<p>To obtain comfort over the calculated recovery rate by product type (where applicable).</p>	<p>1 Check the mathematical accuracy of the calculated recovery rate (where applicable) by dividing product recovered by product sold, as reported in the audited financial statements.</p> <p>2 Compare calculated recovery rate to the recovery rate reported by the Agency in their annual report. Note any discrepancies.</p>	<p>No exception</p> <p>No exception</p>