

2011 Annual Report



BC Smoke and CO Alarm Recycling Program

Prepared by:



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1. Program Outline

1.1 Product Care Association and Stewardship Plan

AlarmRecycle, the BC Smoke and CO Alarm Recycling Program, began October 1, 2011 and 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.

For a list of Product Care members registered for AlarmRecycle, see Appendix A.

AlarmRecycle is operated by Product Care Association pursuant to the BC Smoke and Carbon Monoxide Alarm Stewardship Plan, approved by the BC Ministry of Environment under the Recycling Regulation on August 17, 2011.

The AlarmRecycle program launched on October 1, 2011. This annual report for the 2011 year covers the period from October to December, 2011.

1.2 Program Products

The program collects all stand-alone smoke, carbon monoxide (CO) and combination alarms powered by a battery and/or wired to a building's electrical system. Common smoke alarm types include ionization, photoelectric and combination ionization/photoelectric alarms.

The program does not accept devices that perform only the detection function and not the alarm function, e.g. a smoke and/or CO detector unit connected to a building-wide monitoring or alarm system. These types of units are typically installed in commercial buildings and are outside the scope of this program. These types of units are defined by the CAN/ULC-s529 standard.

2. Educational Materials and Strategies

The following is a summary of promotional materials and strategies used before and after program launch to raise consumer awareness of the AlarmRecycle program in the year 2011. Examples of public educational materials are included in Appendix C.

- **Program Website** – The AlarmRecycle website, www.alarmrecycle.ca, provides detailed information on the program including depot locations, accepted products and eco-fees. The website received approximately 5,297 “page views” between September and December 2011.
- **Point of Sale Materials** – Program materials were distributed to retailers, regional districts, municipalities, fire service departments, and RCBC prior to the launch of the program. Over 24,500 point of sale rack cards and 22,000 stickers were distributed to program stakeholders in 2011. Program materials were in popular demand during the first two weeks of October due to Fire Prevention Week initiatives. The materials are available for reorder by web-form or can be downloaded and printed directly from the program website.
- **Point of Return Materials** – AlarmRecycle rack cards and over 130 posters were distributed to program collection sites throughout the year.

- **Website Linkages** – Product Care coordinated with other parties, including regional districts and fire departments to provide links to the AlarmRecycle website.
- **Media Coverage:** Product Care issued a program launch press release on September 29, 2011 that resulted in over 40 media stories mentioning the AlarmRecycle program. Most of the media coverage appeared as online and print news stories, and as well, a spokesperson for AlarmRecycle was interviewed by two radio stations 1) 99.7 The River in Campbell River and 2) Fairchild Radio Vancouver 1470AM. The program was also mentioned on CFJC TV 7 News, a local Kamloops-based television channel.
- **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. From January 1 to December 31, 2011, RCBC received 181 calls regarding recycling smoke detectors/alarms.
- **RCBC Recyclepedia** – The program is featured on RCBC’s Recyclepedia, an online recycling encyclopedia for British Columbians. From October 1 to December 31, there were 66 web searches for recycling smoke and carbon monoxide alarms on RCBC’s website. The program’s collection sites are also included in the search engine <http://rcbc.bc.ca/recyclepedia.ca>. In November 2011, AlarmRecycle was featured as RCBC’s Tip of the Month, an informational monthly feature published online.
- **Social Media** – The AlarmRecycle program launch was promoted on Product Care’s Facebook and Twitter accounts. The tweets were picked up and promoted by stakeholders like RCBC, Consumer Protection B.C., regional districts and media channels.
- **Local Government and Partnerships** – Product Care engaged several regional fire departments in B.C. and requested they include AlarmRecycle information at community events or information sessions on fire safety during Fire Prevention Week. The approach proved successful as several news stories about Fire Prevention Week included information about recycling old smoke and carbon monoxide alarms. The program collaborated with local governments by advertising in municipal garbage/recycling calendars (most of which were printed in 2012), adding website links and distributing point of sale materials.

3. Collection System

The program operates drop-off locations across BC where residents can return their smoke and CO alarms. There is no charge for consumers to drop off their products. Product Care does not directly own or manage any depots, but contracts with collection sites including retailers.

At the end of the 2011, the province-wide collection system was comprised of 76 advertised collection sites, including 13 return-to-retail locations, 10 municipal facilities and 53 private recycling depots. A complete list of collection sites as of December 31, 2011 is included in Appendix B.

The collection system is supplemented by a direct pick up service for “Large Volume End Users” which included three fire safety organizations and two municipal facilities located in Lower Mainland at the end of 2011 that collect large volumes of smoke and CO alarms.

Table 1 - 2011 Collection Site Details

Collection Site Type	# of Collection Sites	% of Sites
Retailers	13	17%
Municipal (transfer stations)	10	13%
Other (recycling centers)	53	70%
Total	76	100%

4. Collection Rate

4.1 Units Collected

AlarmRecycle launched on October 1, 2011. Between October and December, 2011, the Program collected 1,430 smoke and CO alarms. As the program was only operational for 3 months in 2011, many of the collection sites had not yet collected sufficient quantity for pick-up by the end of the calendar year.

Table 2 below illustrates the number of units collected in the 3 months of the Program between October and December, 2011.

Table 2 – Units Collected, October–December, 2011

Year	# Boxes	# Smoke Alarms
Oct-11	5	275
Nov-11	13	715
Dec-11	8	440
Total	26	1430

Note: Approximately 55 smoke alarm units in a box

4.2 Units Collected by Regional District

Table 3 illustrates the number of smoke and CO alarms collected from each of the province's regional districts between October and December, 2011.

Table 3 – Total smoke and CO alarms collected by Regional District, 2011

Regional District	# Boxes	# Smoke Alarms
Alberni Clayoquot		0
Bulkley Nechako		0
Capital Regional District	7	385

Cariboo		0
Central Coast		0
Central Kootenay		0
Central Okanagan	2	110
Columbia Shuswap		0
Comox Strathcona		0
Cowichan Valley	2	110
East Kootenay		0
Fraser Fort George		0
Fraser Valley	11	605
GVRD	1	55
Kitimat Stikine		0
Kootenay Boundary		0
Mt. Waddington		0
Nanaimo Regional District	2	110
North Okanagan		0
Northern Rockies		0
Okanagan Similkameen		0
Peace River		0
Powell River Regional District		0
Skeena-Queen Charlotte		0
Squamish Lillooet		0
Sunshine Coast		0
Thompson Nicola	1	55
TOTAL	26	1,430

By the end of 2012 a full year of collection data will be available. The Program will then undertake a study (using tools such as waste audits and consumer surveys) to estimate the number of units and disposal methods for program products which are “unaccounted” (ie. not received) by the Program. The results of the study will assist in the development of an estimated “available for collection” number for the Program which will form the basis for future targets.

5. Life Cycle Management

While the principal purpose of smoke and CO alarms is safety, the industry has taken into account environmental considerations. Efforts have been made by the smoke and CO alarm industry to reduce the environmental impact of their products. New ionization foil stamping technology ensures less waste and precious metals are produced in this stage of the manufacturing process. The amount of plastic and other materials in a typical smoke alarm has also decreased substantially over the past two decades while the use of recycled materials in product packaging has increased. Finally, there is a general trend in the industry from 9 volt to 3 volt alarms reducing the number of batteries required for product operation.

Manufacturers regularly review the design of these products for functionality, sustainability and impact on the environment. The program will report on initiatives of individual producers that reduce the environmental impact and improve the recyclability of their products.

5.2 Pollution Prevention Hierarchy

All smoke and CO alarms collected have their batteries removed and are sorted between radioactive and non-radioactive types at the Product Care Association facility in Surrey. The units are currently being consolidated until sufficient quantities are amassed for processing. Additional details on the recycling process will be included in the 2012 annual report.

6. Fee Information

AlarmRecycle is funded by membership fees, known as “eco-fees”, remitted to Product Care by its members based on the volume of sales of smoke and CO alarms 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 9 illustrates the eco-fee rates for program products effective since October 1, 2011.

Table 9 – Eco fees, as of October 1, 2011

Unit Type	Eco Fee
Smoke Alarms*	\$1.20
Carbon Monoxide (CO) Alarms	\$0.60

*Includes combination smoke/CO alarms

Appendix A – Program Members

The Program has 22 members, as of December 31 2011, including manufacturers, distributors, and retailers that sell smoke and CO alarms in BC.

Program Members	
Acklands–Grainger Inc.	London Drugs Limited
Best Buy Canada	Lowe’s Canada
Canadian Tire Corporation	Mircom Engineered Systems Ltd
Costco Canada	National Fire Equipment Ltd
Dicon Global Inc.	Pacific Coast Fire Equipment
Federated Co-operatives Limited	Peavey Industries Ltd
Home Depot Canada	Rona Revy Inc.
Home Hardware Canada	Royal City Fire Supplies Ltd.
Hudson’s Bay Co.	Serva Lite Sales
Kidde Canada	TruServ Canada
Loblaws Co Ltd	Wal-Mart Canada Corp

Appendix B – Collection Sites

BC collection site locations by the end of 2011:

Depot Name	City	Regional District
Parksville Bottle & Recycling Depot	Parksville	Alberni-Clayquot
Alpine Disposal & Recycling	Langford	Capital Regional District
Hartland Recycling Depot	Victoria	Capital Regional District
Oak Bay Recycling Depot	Victoria	Capital Regional District
Pender Island Recycling Society	Pender Island	Capital Regional District
Salt Spring Island Recycling	Salt Spring Island	Capital Regional District
Sooke Home Hardware	Sooke	Capital Regional District
Century Hardware Ltd.	100 Mile House	Cariboo
Lone Butte Supply	100 Mile House	Cariboo
Canadian Tire Williams Lake	Williams Lake	Cariboo
Bella Coola Recycling Depot	Bella Coola	Central Coast
Kaslo Building Supplies	Kaslo	Central Kootenay
Boucherie Self Storage & Bottle Depot	Kelowna	Central Okanagan
The Battery Doctors	Kelowna	Central Okanagan
Home Hardware Revelstoke	Revelstoke	Columbia Shushwap
Canadian Tire Campbell River	Campbell River	Comox Strathcona
Village of Gold River	Gold River	Comox Strathcona
Bings Creek Solid Waste Complex	North Cowichan	Cowichan Valley
Junction Bottle Depot Ltd.	Ladysmith	Cowichan Valley
Meade Creek Recycling Drop-Off Depot	Lake Cowichan	Cowichan Valley
Peerless Road Recycling Drop-Off Depot	Ladysmith	Cowichan Valley
Capital City and Sidney Fire equipment Ltd.	Sidney	Capital Regional District
Home Hardware Cranbrook	Cranbrook	East Kootenay
Invermere Fire Department	Invermere	East Kootenay
Abbotsford Community Services Recycling	Abbotsford	Fraser Valley
Aldergrove Return-It	Aldergrove	Fraser Valley
Chilliwack Bottle Depot	Chilliwack	Fraser Valley
Sardis Bottle Depot	Chilliwack	Fraser Valley
Mission Recycling Depot	Mission	Fraser Valley
Abbotsford Bottle Depot	Abbotsford	Fraser Valley
BBK Bottle Depot	Prince George	Fraser-Fort George
Biggar Bottle Depot	Port Coquitlam	Metro Vancouver
Go Green Depot & Recycling	Vancouver	Metro Vancouver

Langley Bottle Depot	Langley	Metro Vancouver
Ridge Meadows Recycling Society	Maple Ridge	Metro Vancouver
Scott Road Bottle Depot	Surrey	Metro Vancouver
Semiahmoo Bottle Depot	Surrey	Metro Vancouver
South Van Bottle Depot	Vancouver	Metro Vancouver
Walnut Grove Bottle Depot	Langley	Metro Vancouver
Willowbrook Recycling Depot	Langley	Metro Vancouver
Ladner Bottle Depot	Delta	Metro Vancouver
Fleetwood Bottle Return Depot Ltd.	Surrey	Metro Vancouver
Joe's Bottle Depot	Vancouver	Metro Vancouver
Lougheed Return-It	Coquitlam	Metro Vancouver
North Shore Bottle Depot	North Vancouver	Metro Vancouver
Kitimat Recycling Depot	Kitimat	Kitimat Stikine
Trail Bottle Depot	Trail	Kootenay Boundary
Seven Mile Recycling Centre	Port McNeil	Mt Waddington
Nanaimo Recycling Exchange Society	Nanaimo	Nanaimo Regional District
Parksville Home Hardware	Parksville	Nanaimo Regional District
Chasers Bottle Depot	Vernon	North Okanagan
Interior Freight & Bottle Ltd.	Vernon	North Okanagan
Shepherds Home Hardware	Armstrong	North Okanagan
Venture Training Vernon	Vernon	North Okanagan
Nelson Home Bldg Centre	Nelson	Northern Rockies
Wide Sky Disposal	Fort Nelson	Northern Rockies
Campbell Mountain Landfill	Penticton	Okanagan Similkameen
J&C Bottle Depot (formerly Penticton Recycling & Bottle Depot)	Penticton	Okanagan Similkameen
Oliver Sanitary Landfill	Oliver	Okanagan Similkameen
Osoyoos Bottle Depot	Osoyoos	Okanagan Similkameen
Chetwynd Lions Recycling	Chetwynd	Peace River
D.C. Recycling & Bottle Depot	Dawson Creek	Peace River
FSJ Bottle Drop	Fort St. John	Peace River
Eco-Depot Recycling	Fort St. John	Peace River
Augusta Recyclers Ltd.	Powell River	Powell River Regional District
Regional Recycling - Prince Rupert	Prince Rupert	Skeena-Queen Charlotte Regional District
Carney's Waste Systems - Pemberton Waste & Recycling Facility	Pemberton	Squamish Lillooet
Carney's Waste Systems - Squamish	Squamish	Squamish Lillooet
Carney's Waste Systems - Whistler	Whistler	Squamish Lillooet
Whistler Fire Rescue Services	Whistler	Squamish Lillooet
Gibsons Recycling Depot	Gibsons	Sunshine Coast

Trail Bay Hardware	Sechelt	Sunshine Coast
Home Hardware Merritt	Merritt	Thompson Nicola
Quality Glass Ltd.	Ashcroft	Thompson Nicola
Super Save Bottle Depot	Clearwater	Thompson Nicola
Kamloops Fire Rescue	Kamloops	Thompson Nicola

Appendix C – Public Education Materials


Point of sale materials:

Double-sided rack card

Recycle your old smoke and carbon monoxide alarms.

Find your nearest drop-off location
www.alarmrecycle.ca | 1-800-667-4321





AlarmRecycle accepts used or expired smoke alarms, carbon monoxide (CO) alarms, and combination smoke & CO alarms for recycling. To find your nearest drop-off location, visit www.alarmrecycle.ca or call toll-free 1-800-667-4321.

HOW THE PROGRAM IS FUNDED

AlarmRecycle is funded entirely by recycling fees applied to the sale of smoke and CO alarms in BC. The fees fund the collection and recycling of returned products, and may be included in a product's price or displayed as a separate charge at check-out. For more information, visit www.alarmrecycle.ca/fees.

FEES EFFECTIVE AS OF OCTOBER 1, 2011

Smoke Alarms*	\$1.20
Carbon Monoxide Alarms	\$0.60

*Includes combination Smoke & CO Alarms

Sticker:

**Recycle your used
smoke and carbon
monoxide alarm.**

1-800-667-4321
www.alarmrecycle.ca



Point of return/collection site poster:

Recycle your old smoke and carbon monoxide alarms here »



ACCEPTED PRODUCTS

- Smoke alarms
- Carbon Monoxide (CO) alarms
- Combination smoke/CO alarms

NOT ACCEPTED PRODUCTS

- Physically damaged smoke alarms
- Smoke/CO detector units designed for use in a building-wide monitoring/alarm system

Find your nearest drop-off location
www.alarmrecycle.ca | 1-800-667-4321



Media coverage snapshot:

LANGLEY ADVANCE | Tuesday, October 18, 2011 | A17

Old alarms can be recycled

A number of recycling depots in Langley are now accepting old smoke alarms and carbon monoxide monitors.

The addition of alarms is part of AlarmRecycle, a new program for used or expired devices that was launched Oct. 1, around the same time that fire departments launched their annual safety and awareness drives.

Firefighters in Langley City and Township are encouraging homeowners to check their smoke alarms, and that includes replacing old and worn out ones.

In the past, many electronics had to go into the trash.

Smoke alarms are now on the list of items that can be taken apart and turned back into useful goods.

There are three depots in Langley accepting alarms:

- Langley Bottle Depot at 20137 Industrial Ave. Monday to Saturday, 8:30 a.m. to 5:30 p.m., Sunday, 10 a.m. to 4 p.m. and closed all public holidays
- Walnut Grove Bottle Depot at #224 9640 201 St. Monday to Saturday, 9 a.m. to 5 p.m. and Sunday, 10 a.m. to 4 p.m.
- Willowbrook Recycling Depot 19645-60th Ave. Monday to Friday, 9 a.m. to 5 p.m.



It starts here.

The Province

NEWS SPORTS ENTERTAINMENT

Recycle smoke alarms

RICHMOND NEWS OCTOBER 12, 2011

Tweet

Richmond residents finally have a place to put out their smoke detectors.

The AlarmRecycle program began this month to encourage British Columbians to recycle old smoke alarms, carbon monoxide alarms and combination alarms at facilities across the province, free of charge.

Richmond residents can return alarms to the South Van Bottle Depot at 34 East 69th Avenue, located between Ontario Street and Main Street.

Residents can also ditch antiquated alarms at Go Green Depot & Recycling at 2286 Ontario Street, near Seventh Avenue.

The program is funded by a tax applied to new smoke and carbon monoxide alarms.

For more information on the AlarmRecycle program, including drop off hours and other locations, visit www.alarmsrecycle.ca

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Friday, October 14, 2011

Old smoke alarms, carbon monoxide detectors, and combination detectors can now be recycled.

Old smoke detectors can now be recycled

Carbon monoxide alarms also being accepted

by Martin van den Hemel
Staff Reporter

A new recycling program available to Richmond residents should also keep them safer.

Old smoke alarms, carbon monoxide detectors, and combination detectors are now being accepted just across the Oak Street Bridge, at South Van Bottle Depot, 34 East 69th Ave., near Main Street in Vancouver.

The free service is also being offered at Go Green Depot and Recycling, 7-2286 Ontario St. in Vancouver. For more information about the new program, drop-off hours and locations, visit www.alarmsrecycle.ca.

Deputy Fire Chief Kim Howell said these detectors need to be replaced regularly.

"We recommend people test fire alarms monthly, replace battery operated ones annually, and electricity-powered ones every 10 years," Howell said. "CO detectors can be tested a few ways, and instructions will come with the detector. Some have a test button that should be pressed once a week to confirm that the device is in operation. Those with displays can be tested with a known source of CO such as smoke from an incense stick. You can also purchase a CO detector test kit."

The program launched throughout the province earlier this month, with 40 new drop-off locations.

AlarmRecycle is a non-profit program funded entirely by a new small recycling fee applied when new smoke and carbon monoxide alarms are purchased.

For more information about home safety, visit <http://tinyurl.com/richmondfireprevention>.

Program provides way to recycle smoke alarms

Compiled By Daily News
Published: Tuesday, October 11, 2011

As of Oct. 1, the AlarmRecycle program will provide Nanaimo residents with an environmentally responsible recycling option for their old and expired smoke and carbon monoxide alarms.

People will be able to drop off their expired alarms at the Nanaimo Recycling Exchange on Kenworth Rd., one of more than 40 AlarmRecycle drop-off locations across B.C for the program, which is managed by Product Care Association.

A \$1.20 recycling fee will apply to the sale of a new smoke alarm, and combination smoke and CO alarm.

A 60 cents recycling fee will apply to the sale of a carbon monoxide alarm.

The fee may be included in the product price or displayed as a separate charge at check-out.

Email to a friend
 Printer friendly

© The Daily News (Nanaimo) 2011

Social media:



The image shows a screenshot of three social media posts. The first post is from RecyclingBC, dated October 4th, announcing the launch of AlarmRecycle. The second post is from ConsumerProBC, dated October 4th, retweeting the first post. The third post is from MerrittHerald, dated October 3rd, reporting on the program's arrival in Merritt.

RecyclingBC Recycling Council BC
AlarmRecycle, a new recycling program for used or expired smoke alarms and carbon monoxide (CO) alarms, launched...
fb.me/xmmkh1ex
4 Oct ☆ Favorite ↺ Undo Retweet ↻ Reply

ConsumerProBC ConsumerProtectionBC
RT @recyclingbc: AlarmRecycle, a new recycling program for used or expired smoke alarms and carbon monoxide (CO) alarms, launched.....
4 Oct

MerrittHerald MerrittHeraldNews
Smoke alarm recycling comes to Merritt: Merrittonians will now have the opportunity to recycle used or ... bit.ly/o1cOSu #merritt
3 Oct

PRODUCT CARE ASSOCIATION

**NON-FINANCIAL AUDIT OF
BC SMOKE AND CARBON MONOXIDE (CO)
ALARMS PROGRAM**

31 DECEMBER 2011



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11 July 2012

To: British Columbia Ministry of Environment

As specifically agreed, we have performed test procedures at Product Care Association (“the Agency”) for the BC Smoke and Carbon Monoxide (CO) Alarms program as described in this letter for the year ended 31 December 2011 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 31 December 2011.

This letter is for use solely by the British Columbia Ministry of Environment in connection with their consideration of the accuracy and completeness of certain non-financial information as reported by Product Care Association for the year ended 31 December 2011.

Rolfe, Benson LLP
CHARTERED ACCOUNTANTS

Vancouver, BC



For the following procedures, test samples were selected from the 31 December 2011, unless otherwise noted.

Non-Financial Information Requirement: 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/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 5 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. d. 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. 	<ol style="list-style-type: none"> 1. Received a listing of collection facilities from Product Care Association's ("PCA") Service Coordinator. 2. The listing stated 76 AlarmRecycle drop off locations, matching the number in the 2011 annual report. 3. Selected a sample of 5 depots from the listing: <ol style="list-style-type: none"> a-d: For all sites, procedure 3a) to 3d) were completed without exception.



Testing Procedure #	Objective/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. 	<p>1-2 As of 1 October 2011 the AlarmRecycle program commenced operations and at this time 76 drop off locations were opened.</p>

Non-Financial Information Requirement: 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/Purpose	Testing Procedures	Results
<i>[Where Processors/Manufacturers etc. are subject to audit around their product management practices, only Step 2.1 as well as sub-steps 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>			
2.1	To obtain comfort over the effective weight ¹ of end-use product collected and the accuracy of the manufacturer's receipt of weight of product.	<ol style="list-style-type: none"> Where available, obtain the 3rd party auditors opinion over registered processors/manufacturers compliance with waste management or program specific guidelines for managing product appropriately. Ensure the auditor's opinion is unqualified. 	N/A - Product Care Association's financial statement auditors do not perform testing over registered processors/manufacturers compliance with the program; therefore this test does not apply to this agency.
2.2	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 along the custody chain).	<ol style="list-style-type: none"> 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"> The processor/manufacturer name/address. The total weight of the product weighed at the collection site or consolidation site (where applicable). The total weight of the product weighed at the processor/manufacturer. The date of delivery to the processor/manufacturer. Obtain a listing of all registered processors/manufacturers. 	1-3. As of 31 December 2011, there were no processors in place for the AlarmRecycle program. All program materials collected are being held at PCA until processors are selected and sufficient volume is collected for a full shipment.

¹ The term "weight" includes "volume" or "quantity," respective to the type of product managed by the Agency.

Testing Procedure #	Objective/Purpose	Testing Procedures	Results
		<ol style="list-style-type: none"> 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. 4. Randomly select 5 shipments and obtain a copy of the invoice or other supporting documentation. 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. 6. Compare the total weight listed on the Invoice or other supporting documentation with the weight listed on the detailed listing received in #1 and note any discrepancies. 	<p>4-6. As there were no shipments to processors during the 2011 fiscal year, these procedures are not applicable.</p>



Non-Financial Information Requirement: 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/Purpose	Testing Procedures	Results
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. 	N/A - Product Care Association's financial statement auditors do not perform testing over the Schedule of Product Recovered; therefore this test does not apply to this agency.
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 of eco-fees by product type from the agency (in total and by unit). 4. Compare the total eco-fees collected from the above 	<p>1-2. Obtained the Financial Statement Auditor's Opinion for 2011 noting an unqualified opinion.</p> <p>3-4. As the Agency's financial statements do not disclose the eco-fees collected specifically related to the Alarm/Recycle Program this procedure was not completed.</p>



Testing Procedure #	Objective/Purpose	Testing Procedures	Results
		<p>schedule to the total reported in the Agency's financial statements (as opined by the financial statement auditor).</p> <ol style="list-style-type: none"> 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. 6. Compare calculated total product sold to the amounts reported by the Agency in their annual report. Note any discrepancies. 	<p>5-6. The BC Ministry of Environment does not require the AlarmRecycle Program to report sales information in the annual report, due to the limited number of producers in the market. As such, it was not possible to complete this procedure.</p>
3.3	<p>To obtain comfort over the completeness, accuracy, cut-off and validity of the total product recovered, test on a sample basis, the collection of product recovered.</p>	<ol style="list-style-type: none"> 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: <ol 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). 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. 3. Scan the detailed listing to ensure that there were no collections that were outside of the organization's fiscal 	<ol style="list-style-type: none"> 1-2. Obtained a listing of product shipped from collection sites to PCA. Confirmed with the CFO that PCA monitors product shipped from AlarmRecycle drop off locations in the number of boxes shipped. There were 18 shipments from depots for 2011. Rolfe, Benson LLP recalculated the total units shipped by multiplying the number of boxes shipped by the average units per box. This was compared to the total units recovered per the annual report. No discrepancies were noted. 3. Rolfe, Benson LLP confirmed through a scan of the listing that all shipments were completed in 2011.



Testing Procedure #	Objective/Purpose	Testing Procedures	Results
		<p>year.</p> <ol style="list-style-type: none"> 4. Randomly select shipments and obtain the supporting document (Bill of Lading or other support) to verify the amount of product shipped. 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. 6. Confirm that the total product (in units/weight etc.) listed on the supporting document matches the total listed on the detailed listing. 	<p>4-6. Selected a sample of 9 shipments and obtained the supporting documentation. Reviewed the supporting documentation for evidence of total product shipped and confirmed that the number of boxes listed on the supporting document matches the listing generated by PCA. No exceptions were noted.</p>
3.4	To obtain comfort over the calculated recovery rate, by product type (where applicable).	<ol style="list-style-type: none"> 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. 2. Compare calculated recovery rate to the recovery rate reported by the Agency in their annual report. Note any discrepancies. 	<ol style="list-style-type: none"> 1. Recovery rate is not calculated by PCA or reported in the annual report for the AlarmRecycle program.



PRODUCT CARE ASSOCIATION

FINANCIAL STATEMENTS

31 DECEMBER 2011

PRODUCT CARE ASSOCIATION

Financial Statements

For the year ended 31 December 2011

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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 2011, and the statements of net assets, operations 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 auditors consider internal control relevant to the Association'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 Association'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 in our audit 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 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Rolfe, Benson LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
17 May 2012



PRODUCT CARE ASSOCIATION
Statement of Financial Position
31 December 2011

	2011	2010
Assets		
Current		
Cash and short-term investments	\$ 2,233,650	\$ 2,036,120
Accounts receivable	2,096,064	1,591,524
Prepaid expenses and deposits	68,145	66,737
	4,397,859	3,694,381
Reserve - at market value (Note 3)	8,437,175	8,439,952
Capital assets (Note 4)	205,744	210,750
	\$ 13,040,778	\$ 12,345,083

Liability

Current		
Accounts payable and accrued liabilities	\$ 1,279,854	\$ 1,724,030

Commitments (Note 5)

Members' Equity

Unrestricted	3,118,005	1,970,351
Invested in capital assets	205,744	210,750
Reserve - internally restricted (Note 3)	8,437,175	8,439,952
	11,760,924	10,621,053
	\$ 13,040,778	\$ 12,345,083

APPROVED BY THE DIRECTORS:

"J.D. Glassford" Director

"Dave Russell" Director

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

PRODUCT CARE ASSOCIATION
Statement of Net Assets
For the year ended 31 December 2011

	Unrestricted	Invested in Capital Assets	Internally Restricted Reserve	Total 2011	Total 2010
Net assets - beginning of year	\$ 1,970,351	\$ 210,750	\$ 8,439,952	\$ 10,621,053	\$ 9,246,588
Excess of revenues over expenses for the year	1,139,871	-	-	1,139,871	1,374,465
Transfer to reserve	2,777	-	(2,777)	-	-
Transfer to invested in capital assets, net	5,006	(5,006)	-	-	-
Net assets - end of year	\$ 3,118,005	\$ 205,744	\$ 8,437,175	\$ 11,760,924	\$ 10,621,053

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

PRODUCT CARE ASSOCIATION
Statement of Operations
For the year ended 31 December 2011

	2011	2010
Revenues	\$ 9,251,748	\$ 7,875,857
Operating expenses		
Collection, disposal, transportation and event advertising	<u>6,891,169</u>	<u>6,200,620</u>
Gross margin	<u>2,360,579</u>	<u>1,675,237</u>
Administrative expenses		
Technical, professional, management and communication	892,972	669,505
Office, rent and travel	221,445	211,656
Association and depot start up costs	<u>116,434</u>	<u>247,535</u>
	<u>1,230,851</u>	<u>1,128,696</u>
Excess of revenues over expenses from operations	<u>1,129,728</u>	<u>546,541</u>
Other income (expenses)		
Investment income	207,358	196,645
Interest income	10,919	6,236
Gain on disposal of capital assets	2,000	-
Gain (loss) on sale of investments	(8)	873
Unrealized gain (loss) on investments	<u>(210,126)</u>	<u>624,170</u>
	<u>10,143</u>	<u>827,924</u>
Excess of revenues over expenses for the year	<u>\$ 1,139,871</u>	<u>\$ 1,374,465</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 2011

	2011	2010
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ 1,139,871	\$ 1,374,465
Items not involving cash		
Gain on disposal of capital assets	(2,000)	-
Loss (gain) on sale of investments	8	(873)
Market value adjustment to reserve	210,126	(624,170)
Amortization	137,853	105,979
	1,485,858	855,401
Changes in non-cash working capital balances	(950,131)	(566,655)
	535,727	288,746
Investing activities		
Transfer to reserve	(207,350)	(197,517)
Purchase of capital assets	(132,847)	(105,640)
Proceeds on disposal of capital assets	2,000	-
	(338,197)	(303,157)
Net increase (decrease) in cash and short-term investments	197,530	(14,411)
Cash and short-term investments - beginning of year	2,036,120	2,050,531
Cash and short-term investments - end of year	\$ 2,233,650	\$ 2,036,120
Cash and short-term investments consist of:		
Cash	\$ 1,209,579	\$ 1,019,396
Term deposits	1,024,071	1,016,724
	\$ 2,233,650	\$ 2,036,120
Supplemental Cash Flow Information:		
Interest received	\$ 10,919	\$ 6,236

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 2011

1. Incorporation of Product Care Association

On 7 May 2001, Letters Patent were obtained for the creation of Product Care Association (the "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. The significant policies are detailed as follows:

(a) Cash and cash equivalents

Short-term fixed income investments that either mature within 90 days of the balance sheet date or can be readily redeemed for cash are considered cash equivalents.

(b) 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:

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

(c) 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 reported in the statement of operations. Unrestricted investment income is recognized as revenue when earned.

PRODUCT CARE ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2011

2. Summary of significant accounting policies - Continued

(d) 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 reported in the statement of operations.

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

(e) 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.

(f) 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, \$2,777 was transferred from the reserve fund to the unrestricted fund, which consisted of an unrealized loss of (\$210,127) at 31 December 2011 and realized investment income of \$207,350. In the prior year, \$821,688 was transferred from the unrestricted fund to the reserve fund, which consisted of 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 2011

4. Capital assets

	Cost	Accumulated Amortization	2011 Net	2010 Net
Depot equipment	\$ 955,070	\$ 756,158	\$ 198,912	\$ 194,266
Office equipment	81,658	74,826	6,832	16,484
Storage depots	576,096	576,096	-	-
Leasehold improvements	483,749	483,749	-	-
	<u>\$ 2,096,573</u>	<u>\$ 1,890,829</u>	<u>\$ 205,744</u>	<u>\$ 210,750</u>

5. Commitments

The Association has a lease agreement for a 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.

During the year, the Association entered into a lease agreement for a 36 month lease term on the Vancouver office building which expires on 31 January 2015. The Association has the option to renew the lease term for an additional 36 months.

The annual lease payments are as follows:

2012	\$ 198,238
2013	204,571
2014	204,571
2015	134,905
2016	<u>10,714</u>
	<u>\$ 752,999</u>

Additionally, at year end the Association had unprocessed product on hand with an estimated cost to process, transport and recycle of \$75,919 which will be incurred during 2012.

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 2011

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 a held-for-trading financial asset. It is 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 ("NB").

2011 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 2011, eco fee revenue relating to the NB program was \$953,465 (2010 - \$1,038,929) and expenses relating to collection, processing, and administration for the NB program were \$776,073 (2010 - \$743,231).

**PRODUCT CARE ASSOCIATION -
BC SMOKE AND CARBON MONOXIDE
(CO) ALARMS PROGRAM**

STATEMENT OF REVENUES AND EXPENSES

31 DECEMBER 2011

**PRODUCT CARE ASSOCIATION -
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2011**

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INDEPENDENT AUDITORS' REPORT

To: BC Ministry of Environment,

As required the British Columbia Environmental Management Act, Recycling Regulation 8(2)(f)(ii), we have audited the statement of revenues and expenses of the BC Smoke and Carbon Monoxide (CO) Alarms Program (the "statement") as reported by Product Care Association for the year ended 31 December 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on the statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement 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 statement.

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





INDEPENDENT AUDITORS' REPORT - continued

Opinion

In our opinion, the statement presents fairly, in all material respects, the revenues and expenses of the BC Smoke and Carbon Monoxide (CO) Alarms Program as reported by Product Care Association for the year ended 31 December 2011 in accordance with Canadian generally accepted accounting principles.

Other Matter

Product Care Association has prepared a separate set of financial statements for the year ended 31 December 2011 in accordance with Canadian generally accepted accounting principles on which we issued our independent auditors' report to the members of Product Care Association dated 17 May 2012.

Restriction on Distribution

This report is prepared on the direction of Product Care Association's management and the requirements of British Columbia Environmental Management Act, Recycling Regulation 8(2)(f)(ii). As a result, the report may not be suitable for another purpose. Our report is intended solely for Product Care Association's management and the BC Ministry of Environment and should not be distributed to other parties.

Rolfe, Benson LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
29 November 2012



**PRODUCT CARE ASSOCIATION -
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM**
Statement of Revenues and Expenses
For the period ended 31 December 2011

	2011 (3 months)
Revenues	<u>\$ 104,973</u>
Program expenses	
Start-up	7,533
Transportation	1,057
Communications	979
Collection	500
Depot supplies	328
Insurance - property and liability	1,061
	<u>11,458</u>
General and administrative expenses	<u>2,500</u>
Excess of revenues over expenses for the year	<u>\$ 91,015</u>

The accompanying notes are an integral part of this statement.

**PRODUCT CARE ASSOCIATION -
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM**
Notes to the Statement of Revenues and Expenses
For the period ended 31 December 2011

1. Basis of Presentation

This statement includes the revenues and expenses of the BC Smoke and Carbon Monoxide (CO) Alarms Program, a segment of the operations of Product Care Association. The program commenced operations on 1 October 2011 and as such, three months of revenues and expenses are represented.

2. Summary of Significant Accounting Policies

This statement of revenues and expenses is prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) 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.

(b) 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.

(c) General and Administrative Expenses

A portion of the total general and administrative expenses of Product Care Association, net of expense recoveries, has been allocated to this program. The allocation of general and administrative expenses to this program is determined using the percentage of program specific operating expenses as compared to total operating expenses for all Product Care Association programs.