



**LIQUOR
DISTRIBUTION
BRANCH**

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Statements of Financial Information

For the Fiscal Year Ended March 31, 2012

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The financial statements of the British Columbia Liquor Distribution Branch have been prepared by management in accordance with International Financial Reporting Standards. Any financial information contained elsewhere in the annual report has been reviewed to ensure consistency with the financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records are properly maintained to facilitate the preparation of financial statements in a timely manner.

The Office of the Auditor General of British Columbia has performed an independent audit of the financial statements of the Liquor Distribution Branch. The Auditor's Report outlines the scope of this independent audit and expresses an opinion on the financial statements of the Liquor Distribution Branch.



Jay Chambers
General Manager



Roger M. Bissoondatt, CA, CMA
Chief Financial Officer

Vancouver, British Columbia
May 30, 2012



INDEPENDENT AUDITOR'S REPORT

To the Minister of Energy and Mines, Province of British Columbia

Report on the Financial Statements

I have audited the accompanying financial statements of the British Columbia Liquor Distribution Branch, which comprise the statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010, and the statements of comprehensive income, advance due from (to) Province of British Columbia and cash flows for the periods ended March 31, 2012 and 2011, 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 International Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

In my view, the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the British Columbia Liquor Distribution Branch as at March 31, 2012, March 31, 2011, and April 1, 2010, and the results of its operations and its cash flows for the periods ended March 31, 2012 and 2011, in accordance with International Financial Reporting Standards.

John Doyle, MAcc, CA
Auditor General

Victoria, British Columbia
May 31, 2012

Statements of Comprehensive Income
For the years ended March 31, 2012 and 2011

(in thousands of dollars)

Year ended March 31,	Note	2012	2011
Sales	4	2,889,869	2,810,145
Less commissions and discounts	22	(187,583)	(179,749)
Net sales		2,702,286	2,630,396
Cost of sales	22	(1,510,744)	(1,469,819)
Gross profit		1,191,542	1,160,577
Administration expenses	5,13,22	(275,681)	(268,506)
Transportation expenses	5	(10,777)	(9,489)
Marketing expenses	5	(4,533)	(3,534)
Net operating income		900,551	879,048
Finance expenses		(16)	(47)
Other income		10,610	11,269
Net income and comprehensive income		911,145	890,270

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

Statements of Due From (To) Province of British Columbia
For the years ended March 31, 2012 and 2011

(in thousands of dollars)

Year Ended March 31,	2012	2011
Balance beginning of year	11,458	(11,649)
Net income and comprehensive income	(911,145)	(890,270)
Payments to the Province of British Columbia	908,587	913,377
Balance end of year	<u>8,900</u>	<u>11,458</u>

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

Statements of Financial Position

As at March 31, 2012 and 2011, and April 1, 2010

(in thousands of dollars)

As at	Note	March 31		April 1
		2012	2011	2010
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	6	62,984	57,626	59,397
Intangible assets	7	2,471	2,884	2,785
Prepaid expenses - long term	8	8,697	3,377	2,090
		<u>74,152</u>	<u>63,887</u>	<u>64,272</u>
CURRENT ASSETS				
Due from Province of British Columbia	9,22	8,900	11,458	-
Inventories	10	81,815	83,021	89,974
Prepaid expenses	8	2,348	4,979	4,294
Accounts receivable	11	5,582	5,013	5,307
Cash		17,362	-	6,724
		<u>116,007</u>	<u>104,471</u>	<u>106,299</u>
TOTAL ASSETS		<u>190,159</u>	<u>168,358</u>	<u>170,571</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Other long-term liabilities	12,13,14,22	22,292	19,521	20,738
		<u>22,292</u>	<u>19,521</u>	<u>20,738</u>
CURRENT LIABILITIES				
Due to Province of British Columbia	9,22	-	-	11,649
Accounts payable and accrued liabilities	14,15,22	167,867	141,684	138,184
Bank indebtedness		-	7,153	-
		<u>167,867</u>	<u>148,837</u>	<u>149,833</u>
TOTAL LIABILITIES		<u>190,159</u>	<u>168,358</u>	<u>170,571</u>

Approved for issue on May 30, 2012 by:

Jay Chambers
General Manager

Roger M. Bissoondatt, CA, CMA
Chief Financial Officer

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

Statements of Cash Flows
For the years ended March 31, 2012 and 2011

(in thousands of dollars)

Year Ended March 31,	Note	2012	2011
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Cash receipts from customers		2,701,717	2,630,692
Cash payments to the Province of British Columbia		(908,587)	(913,377)
Cash paid to suppliers and employees		(1,759,981)	(1,729,670)
Cash receipts from other income		10,501	11,248
Interest paid on capital lease and loans		(16)	(47)
		<u>43,634</u>	<u>(1,154)</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	6	(18,619)	(11,554)
Acquisition of intangible assets	7	(403)	(784)
Proceeds from disposal of property and equipment		108	50
		<u>(18,914)</u>	<u>(12,288)</u>
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
Payments on capital leases		(47)	(74)
Payments on tenant improvement loans		(158)	(361)
		<u>(205)</u>	<u>(435)</u>
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		24,515	(13,877)
(BANK INDEBTEDNESS) CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		(7,153)	6,724
CASH AND CASH EQUIVALENTS (BANK INDEBTEDNESS) - END OF YEAR		<u>17,362</u>	<u>(7,153)</u>

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

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

1. Purpose of the Branch

The British Columbia Liquor Distribution Branch (the Branch) is one of two branches of the Province of British Columbia (the Province) responsible for the beverage alcohol industry in British Columbia and reports to the Minister of Energy and Mines.

The Branch obtains its authority for operation from the *British Columbia Liquor Distribution Act* (the Act). As stated in Section 2 of the Act, the Branch has the exclusive right to purchase liquor for resale and reuse in the Province in accordance with the provisions of the *Importation of Intoxicating Liquors Act (Canada)*.

The Branch is reported on a modified equity basis in the public accounts, in a manner similar to a commercial Crown corporation.

2. Basis of presentation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These are the Branch's first financial statements prepared in accordance with IFRS and IFRS 1 - *First-time Adoption of International Financial Reporting Standards*. The date of transition to IFRS is April 1, 2010.

The Branch's IFRS accounting policies are presented in note 3 and have been applied in preparing the financial statements for the year ended March 31, 2012, the comparative information and the opening statement of financial position at the date of transition.

The effects of the transition to IFRS on financial position and comprehensive income are presented in note 22.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis. The accounts have been prepared on a going concern basis.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Branch's functional currency. All financial information has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Branch's accounting policies. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or account estimate to be followed could materially affect the reported results or net position of the Branch, should it later be determined that a different choice be more appropriate.

Management considers the following to be areas of significant judgement and estimation for the Branch due to greater complexity and/or particularly subject to the exercise of judgement:

i) **Property and equipment**

The determination of the useful economic life and residual values of property and equipment is subject to management estimation. The Branch regularly reviews all of its depreciation rates and residual values to take account of any changes in circumstances, and any changes that could affect prospective depreciation charges and asset carrying values.

ii) **Employee benefits – Retiring allowances**

Employees who are eligible to retire and receive pension benefits under the Public Service Pension Plan are granted full vacation entitlement for the final calendar year of service. The Branch recognizes a liability and an expense for retiring allowances when benefits are earned and not when these benefits are paid. These obligations are valued by independent actuaries.

3. Significant accounting policies

The accounting policies below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position at April 1, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

(a) Foreign currency translation

The Branch in the normal course of business purchases product in foreign currency. Any foreign currency transactions are translated into Canadian dollars at the rate of exchange in effect at the transaction date. Any foreign currency denominated monetary assets and liabilities are stated using the prevailing rate of exchange at the date of the statement of financial position.

(b) Financial instruments

Financial assets are recognized when the Branch has rights or other access to economic benefits. Such assets consist of cash or a contractual right to receive cash or another financial asset. The Branch derecognizes a financial asset when the contractual rights to the cash flows from the asset have expired or have been transferred and all the risks and rewards of ownership substantially are transferred.

All of the Branch's financial assets are designated as loans and receivables. The Branch initially recognizes loans and receivables and deposits on the date that they originate.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

Financial liabilities are recognized when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset. Financial liabilities are derecognized when they are extinguished.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Branch has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Branch has the following categories of financial assets and financial liabilities:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Branch provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any provision for impairment. Any resulting income or expense is recognized in the statement of comprehensive income. Loans and receivables include accounts receivable, cash on hand and bank deposits in transit.

i) **Accounts receivable**

Accounts receivable are recognized initially at the invoice amount which approximates the fair value.

A provision for impairment of trade receivables is established when there is objective evidence that the Branch will not be able to collect all amounts due according to the terms of the receivables. The carrying amount of accounts receivable is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. Subsequent recoveries of amounts previously written off are credited to other income.

ii) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank deposits in transit, and bank overdrafts. Bank overdrafts are shown as bank indebtedness in current liabilities on the statement of financial position.

Financial liabilities held at amortized cost

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using effective interest method and include accounts payable, tenant

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

improvement loans, and bank indebtedness. Any resulting income or expense is recognized in the statement of comprehensive income.

i) **Accounts payable**

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the payment is due within one year or less and non-current liabilities if the payment is due more than one year from the statement of financial position date.

ii) **Bank indebtedness**

Bank indebtedness is shown in current liabilities and included within cash and cash equivalents on the statement of cash flows as it forms an integral part of the Branch's cash management.

(c) Property and equipment

Property and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

i) **Construction in process**

Construction in process is carried at cost less any impairment loss. Cost includes professional fees, materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. When these assets are ready for their intended use, they are transferred into the appropriate category. At this point, depreciation commences on the same basis as the other property and equipment.

ii) **Assets held under finance leases**

Assets held under finance leases which result in the Branch bearing substantially all the risks and rewards incidental to ownership are capitalized as property and equipment. Finance lease assets are initially recognized at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, then depreciated over the lower of the lease term or their useful lives. The capital element of future obligations under the leases is included as a liability in the statement of financial position classified, as appropriate, as current or non-current. The interest element of the lease obligations is charged to the statement of comprehensive income over the period of the lease term to reflect a constant rate of interest on the remaining balance of the obligation for each financial period.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

(d) Intangible assets

Where computer software is not an integral part of a related item of property and equipment, the software is capitalized as an intangible asset.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring them into use. Direct costs associated with the production of identifiable and unique internally generated software products controlled by the Branch that will probably generate economic benefits exceeding costs beyond one year are capitalized. Direct costs include software development employment costs including those to contractors used.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Intangible assets acquired by the Branch have finite lives and are measured at cost less accumulated amortization and accumulated impairment losses.

(e) Depreciation of non-financial assets

No depreciation is provided on land or assets in the course of construction. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	2.5 - 5% per annum
Leasehold improvements	a minimum of 10% per annum or a rate sufficient to amortize the cost over the remaining life of the respective lease
Furniture, fixtures, vehicles and equipment	10 - 25% per annum
Information systems	25% per annum
Computer software development costs	25% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and would be recognized in the statement of comprehensive income.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

(f) Leases

When assets are financed by leasing agreements that transfer substantially all of the risks and rewards of ownership to the Branch (finance leases), the assets are treated as if they had been purchased outright, and the corresponding liability to the leasing company is included as an obligation under finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

All other leases are operating leases and the costs are recorded on a straight-line basis over the lease term. The value of any lease incentive received to take on an operating lease (for example, rent-free periods and tenant allowances) is recognized as deferred income and is recognized over the life of the lease.

(g) Inventories

The Branch's inventories are valued at the lower of cost and net realizable value. Inventories are determined on a weighted average cost basis. Cost of inventories comprises all cost of purchase to bring inventories to a Branch distribution centre and include supplier invoiced value, freight, duties and taxes. Net realizable value represents the estimated selling price for inventories less the costs to sell.

(h) Impairment of assets

Assets that are subject to depreciation and amortization are reviewed at each statement of financial position date to determine whether there is any indication that assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs), which are based on the Branch's individual stores.

Non-financial assets that suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. This reversal would be recognized immediately in the statement of comprehensive income.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

(i) Employee benefit plans

The Branch and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pension Plans Act*. Defined contribution plan accounting is applied to the multi-employer defined benefit pension plan because sufficient information is not available to apply defined benefit accounting. Accordingly, contributions are expensed as they become payable. Employees are also entitled to specific retirement benefits as provided for under collective agreements and terms of employment. These benefits are accounted for as an expense and a liability in the period incurred.

(j) Provisions

Provisions are recognized if, as a result of a past event, the Branch has a legal or constructive obligation upon which a reliable estimate can be made, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount and the movement is recognized in the statement of comprehensive income within net finance costs.

(k) Revenue recognition

Reported revenue represents the fair value of consideration received or receivable in exchange for goods and services provided to third parties in the course of ordinary activities. Revenue is recognized when the risks and rewards of ownership are substantially transferred.

Revenue excludes harmonized sales tax and container recycling fees and is stated net of returns.

(l) Other income

Revenue which is ancillary to the sales of beverage alcohol is recognized as other income. Other income includes revenue from beverage container handling fees, border point collections, and customs clearing administrative fees.

(m) Recent accounting developments

Standards, amendments and interpretations of existing standards not yet adopted by the Branch:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended March 31, 2012, and have not been applied in preparing these financial statements. None of these is relevant to the Branch except for:

IFRS 9 - Financial Instruments – becomes mandatory for financial statements beginning January 2015 and impacts the classification and measurement of financial assets. The Branch has evaluated the impact of this new standard for adoption on April 1, 2015 and does not expect any significant impact on its financial statements.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

4. Sales

Total sales reported include sales to retail customers, licensed establishments, licensee retail stores and agency stores. These amounts do not include subsequent resale by licensed establishments, licensee retail stores and agency stores.

	2012	2011
	\$	\$
Retail customers	1,185,716	1,164,502
Licensee retail stores	993,861	952,713
Licensed establishments	475,046	465,075
Agency stores	235,246	227,855
	<u>2,889,869</u>	<u>2,810,145</u>

5. Operating expenses

The Branch's operating expenses comprise of:

	2012	2011
	\$	\$
Salaries, wages and benefits	164,314	159,800
Rents	37,026	36,002
Bank charges	21,927	20,308
Other administrative expenses	15,960	16,074
Depreciation and amortization	14,079	13,977
Transportation	10,777	9,489
Repairs and maintenance	7,524	6,698
Data processing	6,663	4,914
Professional services	5,023	7,689
Marketing	4,533	3,534
Loss prevention	3,165	3,044
	<u>290,991</u>	<u>281,529</u>

Notes to the financial statements
For the years ended March 31, 2012 and 2011
(Tabular amounts in thousands of dollars)

6. Property and equipment

	Land & land improvements	Buildings & building improvements	Leasehold improvements	Furniture, fixtures, vehicles & equipment	Assets under finance leases	Information systems	Construction in process	Total
April 1, 2010								
Cost	1,068	20,256	55,670	29,857	3,900	85,078	8,036	203,865
Accumulated depreciation	-	(17,966)	(27,278)	(20,579)	(3,755)	(74,890)	-	(144,468)
Net book value	1,068	2,290	28,392	9,278	145	10,188	8,036	59,397
March 31, 2011								
Opening net book value	1,068	2,290	28,392	9,278	145	10,188	8,036	59,397
Additions	-	84	4,295	3,509	-	4,500	(834)	11,554
Disposals (cost)	-	-	(6,673)	(3,443)	-	(13,897)	-	(24,013)
Disposals (accumulated depreciation)	-	-	6,662	3,422	-	13,895	-	23,979
Depreciation charge	-	(225)	(4,267)	(3,856)	(68)	(4,875)	-	(13,291)
Closing net book value	1,068	2,149	28,409	8,910	77	9,811	7,202	57,626
March 31, 2011								
Cost	1,068	20,340	53,292	29,923	3,900	75,681	7,202	191,406
Accumulated depreciation	-	(18,191)	(24,883)	(21,013)	(3,823)	(65,870)	-	(133,780)
Net book value	1,068	2,149	28,409	8,910	77	9,811	7,202	57,626
March 31, 2012								
Opening net book value	1,068	2,149	28,409	8,910	77	9,811	7,202	57,626
Additions	5	1,107	6,181	2,810	-	1,958	6,558	18,619
Disposals (cost)	-	(4)	-	(791)	-	(553)	-	(1,348)
Disposals (accumulated depreciation)	-	4	-	791	-	553	-	1,348
Depreciation charge	(1)	(138)	(4,745)	(3,758)	(65)	(4,554)	-	(13,261)
Closing net book value	1,072	3,118	29,845	7,962	12	7,215	13,760	62,984
March 31, 2012								
Cost	1,073	21,443	59,473	31,942	3,900	77,086	13,760	208,677
Accumulated depreciation	(1)	(18,325)	(29,628)	(23,980)	(3,888)	(69,871)	-	(145,693)
Net book value	1,072	3,118	29,845	7,962	12	7,215	13,760	62,984

Change in Accounting Estimates

During the year ended March 31, 2012, the Branch reviewed the residual value and the useful life of buildings, furniture, fixtures, equipment and vehicles, resulting in an increase in the expected useful lives of these assets.

The assets affected by the change in estimated useful life include: buildings up to 40 years (2011 – 13 years); building improvements up to 20 years (2011 – 13 years); and vehicles and equipment up to 4 to 10 years (2011 – 4 years).

The effect of the increase in the expected useful lives on depreciation expense in current and future periods are as follows:

		\$
Year ending March 31	2012	339
	2013	296
	2014	198
	2015	154

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

Vehicle leases

The Branch leases various vehicles under finance lease agreements with terms of 4 years.

Vehicles and leasehold improvements include the following amounts where the Branch is a lessee under a finance lease:

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Cost - capitalized in finance leases	3,900	3,900	3,900
Accumulated depreciation	<u>(3,888)</u>	<u>(3,823)</u>	<u>(3,755)</u>
	<u>12</u>	<u>77</u>	<u>145</u>

Commitments

The Branch has entered into commitments prior to the year-end for store renovations for a total of \$645 thousand (2011 - \$59 thousand) due in 2013.

7. Intangible assets

	Intangible assets	Construction in process	Total
April 1, 2010			
Cost	3,243	1,098	4,341
Accumulated amortization	<u>(1,556)</u>	-	<u>(1,556)</u>
Net book value	<u>1,687</u>	<u>1,098</u>	<u>2,785</u>
March 31, 2011			
Opening net book value	1,687	1,098	2,785
Additions	784	-	784
Assets put into use	164	(164)	-
Disposals (cost)	-	-	-
Disposals (accumulated amortization)	-	-	-
Amortization charge	<u>(685)</u>	-	<u>(685)</u>
Closing net book value	<u>1,950</u>	<u>934</u>	<u>2,884</u>
March 31, 2011			
Cost	4,191	934	5,125
Accumulated amortization	<u>(2,241)</u>	-	<u>(2,241)</u>
Net book value	<u>1,950</u>	<u>934</u>	<u>2,884</u>
March 31, 2012			
Opening net book value	1,950	934	2,884
Additions	403	-	403
Disposals (cost)	-	-	-
Disposals (accumulated amortization)	-	-	-
Amortization charge	<u>(816)</u>	-	<u>(816)</u>
Closing net book value	<u>1,537</u>	<u>934</u>	<u>2,471</u>
March 31, 2012			
Cost	4,594	934	5,528
Accumulated amortization	<u>(3,057)</u>	-	<u>(3,057)</u>
Net book value	<u>1,537</u>	<u>934</u>	<u>2,471</u>

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

The Branch has entered into commitments prior to the year-end for software development for a total of \$97 thousand due in 2013.

8. Prepaid expenses

Prepaid expenses include insurance, software maintenance, and wine futures. The Branch, as part of its on-going business practices, purchases select products to secure delivery of these products up to three years in advance. These products are normally purchased in foreign currency and are translated to Canadian dollars at the spot exchange rate in effect at the transaction date. At March 31, 2012, the Branch has recorded \$9.1 million (March 31, 2011 - \$6.3 million; April 1, 2010 - \$5.6 million) of prepaid wine futures for delivery in fiscal years 2013 and 2014.

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Wine futures	9,146	6,306	5,556
Other prepaids	1,899	2,050	828
	<u>11,045</u>	<u>8,356</u>	<u>6,384</u>
Long-term portion	<u>(8,697)</u>	<u>(3,377)</u>	<u>(2,090)</u>
Current portion	<u>2,348</u>	<u>4,979</u>	<u>4,294</u>

9. Due to/from Province of British Columbia

The Branch uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due to/from the Province of British Columbia represents the accumulated net financial transactions with the Province.

10. Inventories

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Store inventory	51,998	55,678	59,099
Warehouse inventory	<u>29,817</u>	<u>27,343</u>	<u>30,875</u>
	<u>81,815</u>	<u>83,021</u>	<u>89,974</u>

During the year inventories that were recognized as cost of sales amounted to \$1.5 billion (2011 - \$1.5 billion).

Change in Accounting Policy

Under previous GAAP, the cost of store inventories was measured using a first-in, first-out basis formula. Under IFRS, the Branch changed the inventory valuation method for the stores to a

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

weighted average cost basis. This change had no material impact to the valuation of the store inventory.

11. Accounts receivable

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Trade accounts receivable and other items	6,230	5,609	5,919
Provision for doubtful accounts	<u>(648)</u>	<u>(596)</u>	<u>(612)</u>
Accounts receivable and other items - net	<u>5,582</u>	<u>5,013</u>	<u>5,307</u>

Receivables past due but not impaired are \$276 thousand (March 31, 2011 - \$680 thousand; April 1, 2010 - \$1,035 thousand). Of the accounts receivable balance above, \$190 thousand is expected to be recovered in greater than 12 months from the date of the statement of financial position.

12. Other long-term liabilities

Other long-term liabilities comprise:

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Retirement benefit obligation (note 13(b))	12,961	10,132	9,900
WorkSafe BC claims accrual (note 13(c))	5,600	5,800	6,600
Long-term portion of deferred lease liabilities (note 14)	2,639	2,419	2,559
Long-term portion of obligation under capital lease	79	129	176
Other	<u>1,013</u>	<u>1,041</u>	<u>1,503</u>
	<u>22,292</u>	<u>19,521</u>	<u>20,738</u>

13. Employee's benefit plans and other employment liabilities

(a) Public Service Pension Plan

The Branch and its employees contribute to the Public Service Pension Plan (the Plan), a jointly trusted pension plan. The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits are defined. The Plan has approximately 58,000 active Plan members and approximately 36,000 retired Plan members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The actuarial valuation done for March 31, 2008 determined that the Plan needed to implement a contribution rate increase to meet funding requirements of the *Pension Benefits Standards Act*. As a result, rates for employees and

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

employers increased by 0.15% as of April 1, 2009. The total amount paid into this pension plan by the Branch for the year ended March 31, 2012 was \$11.0 million for employer contributions (2011 - \$10.7 million), which was recorded in administration expenses.

The latest actuarial valuation as at March 31, 2011 indicated the Plan had a deficit of \$275 million for basic pension benefits. Effective April 1, 2012, pension rates for employees and employers will increase by 0.4%, for a total increase of 0.8%.

The next valuation will be as at March 31, 2014 with results available in early 2015. Defined contribution pension plan accounting is applied to the Plan as there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

(b) Retirement benefits

Employees are entitled to specific non-pension retirement benefits as provided for under collective agreements and terms of employment. The future liability for this obligation amounts to \$13.0 million (2011 - \$10.1 million), which represents future employees' retirement benefits outside of the Plan and is included in other long-term liabilities. The amount expensed in the current year was \$2.9 million (2011 - \$231 thousand).

(c) WorkSafe BC outstanding claims

The Branch self-funds worker's compensation claims. The Branch recognizes a liability and an expense for claims that are in progress at the year-end. This liability of \$5.6 million (2011 - \$5.8 million) is valued by independent actuaries.

14. Deferred lease liabilities

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Deferred lease	2,698	2,227	2,124
Deferred tenant allowances	348	432	517
Deferred tenant improvement loans	62	219	581
	<u>3,108</u>	<u>2,878</u>	<u>3,222</u>
Less current portion	(469)	(459)	(663)
Long-term portion	<u>2,639</u>	<u>2,419</u>	<u>2,559</u>

15. Accounts payable and accrued liabilities

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Trade payables	88,086	73,719	72,136
Accrued liabilities	76,625	64,864	62,578
Other payables	2,637	2,595	2,733
Current portion of obligation under finance lease	50	47	74
Current portion of deferred lease liabilities	469	459	663
	<u>167,867</u>	<u>141,684</u>	<u>138,184</u>

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

16. Contractual commitments

The Branch leases various stores, offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The lease expenditure charged to the statement of comprehensive income during the year is \$28.2 million (2011 - \$27.5 million).

Future commitments for operating leases for Branch premises are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
	\$	\$	\$
Total future minimum rental payments under non-cancellable operating leases expiring:			
Not later than one year	27,857	26,521	25,435
Later than one year and not later than five years	78,472	81,145	69,976
Later than five years and not later than 25 years	20,841	26,930	25,210
	<u>127,170</u>	<u>134,596</u>	<u>120,621</u>

Government liquor store fees

In fiscal 2008, the Branch entered into a five year agreement with the Liquor Control and Licensing Branch (LCLB) to provide the LCLB an annual fee based on the sales in each government liquor store. For the year ended March 31, 2012, the Branch paid \$420,100 (2011 - \$423,100) in fees.

Other contractual commitments have been disclosed elsewhere in the notes to the financial statements.

17. Contingent items

The Branch is the sole importer of beverage alcohol in the Province. The Branch, as the importer of record, has the future liability for customs duty on import beer of \$0.6 million (2011 - \$0.8 million) based upon the value of the agents' inventories at March 31, 2012.

The Branch is the defendant in legal actions and it is not expected that the ultimate outcome of these claims will have a material effect on the financial position of the Branch.

18. Capital management

The Branch does not retain any equity. Net income is returned to the Province of British Columbia. The Branch has no externally imposed capital requirements.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

19. Related party transactions

Province of British Columbia

The Branch is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities are generally considered to be in the normal course of operations and are recorded at the exchange amount, unless disclosed separately in these financial statements.

Other related party transactions have been disclosed elsewhere in the notes to the financial statements.

Key management compensation

The Branch's executive management committee is defined as key management. At March 31, 2012, there were 8 (2011 - 8) members on the executive committee.

	2012	2011
	\$	\$
Salaries and short-term benefits	1,141	971
Post-employment benefits	116	99
Fees for services	138	130
	<u>1,395</u>	<u>1,200</u>

During the year, one member of the executive management committee retired and received \$28 thousand in retiring allowance.

20. Financial risk factors

The Branch is exposed to the following risks related to its financial assets and liabilities:

- Credit Risk
- Liquidity Risk
- Market Risk

It is management's opinion that the Branch is not exposed to significant market, credit or liquidity risk arising from these instruments.

Credit risk

Credit risk is the risk of financial loss to the Branch due to customer inability to pay for product or a counterparty to a financial instrument failing to meet its contractual obligations. The Branch's exposure to credit risk is related only to the value of accounts receivable in its normal course of business, and the Branch manages this risk by minimizing the amount of transactions

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

which require recovery. The Branch continually monitors and manages the collection of receivables. See accounts receivable note for further disclosure on credit risk.

Liquidity risk

Liquidity risk is the risk that the Branch will be unable to meet its financial obligations as they become due.

The Branch manages liquidity risk primarily by monitoring cash flows and by maintaining the ability to borrow funds through the Province.

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Branch's income or the value of its financial instruments.

While the majority of the Branch's transactions are in Canadian dollars, the Branch also transacts in Euros and US dollars. These transactions are in the normal course of business. The Branch's exposure to foreign currency risk could impact the accounts payable of the Branch. A 10% movement in the exchange rate between the Canadian dollar and the other currencies listed above would not have a material impact on the Branch.

The Branch currently does not hold any debt or equity securities and as such is not exposed to price risk. As the Branch has no significant interest-bearing assets and liabilities, the Branch's income and operating cash flows are substantially independent of changes in market interest rates.

21. Subsequent events

In February 2012, the Province announced its intention to approach the private sector with an opportunity to provide a more efficient way to warehouse and distribute liquor in British Columbia. On April 30, 2012, a Negotiated Request for Proposal was issued seeking a single company to deliver warehousing and distribution services currently being provided by the Branch. The final agreement is to be signed on or about March 1, 2013 and the transition of services to the successful company is to be completed no later than March 2013.

As part of the distribution changes, the Province has also announced its intention to sell the two warehouse properties currently used by the Branch. These properties will be sold no later than March 2015.

22. First-time adoption of IFRS

First-time adoption exemptions applied

These are the Branch's first financial statements prepared in accordance with IFRS.

Liquor Distribution Branch

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended March 31, 2012, the comparative information presented in these financial statements for the year ended March 31, 2011 and in the preparation of an opening IFRS statement of financial position at April 1, 2010 (the Branch's date of transition).

IFRS 1 - *First-time Adoption of International Financial Reporting Standards*, which governs the first-time adoption of IFRS, in general requires accounting policies to be applied retrospectively to determine the opening statement of financial position at the Branch's transition date of April 1, 2010, and allows certain optional exemptions on the transition to IFRS. The elections the Branch has chosen to apply and that are considered significant to the Branch include decisions to:

- measure property and equipment at cost, being the carrying value of property and equipment immediately prior to the date of transition, with no adjustment made to fair value;
- determine whether an arrangement existing at the date of transition to IFRS contains a lease on the basis of facts and circumstances at that date (i.e. no retrospective application).

In preparing its opening IFRS statement of financial position, the Branch has adjusted amounts reported previously in financial statements prepared in accordance with Canadian generally accepted accounting principles (GAAP). An explanation of how the transition from Canadian GAAP to IFRS has affected the Branch's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

Reconciliation of statements of financial position as at April 1, 2010 and March 31, 2011

	Note	Previous GAAP	Effect of transition to IFRS	IFRS	Previous GAAP	Effect of transition to IFRS	IFRS
April 1, 2010				March 31, 2011			
ASSETS							
NON-CURRENT ASSETS							
Property and equipment		59,397	-	59,397	57,626	-	57,626
Intangible assets		2,785	-	2,785	2,884	-	2,884
Prepaid expenses - long term		2,090	-	2,090	3,377	-	3,377
		64,272	-	64,272	63,887	-	63,887
CURRENT ASSETS							
Due from Province of British Columbia	iii	-	-	-	9,229	2,229	11,458
Inventories i	v	89,974	-	89,974	83,021	-	83,021
Prepaid expenses		4,294	-	4,294	4,979	-	4,979
Accounts receivable		5,307	-	5,307	5,013	-	5,013
Cash		6,724	-	6,724	-	-	-
		170,571	-	170,571	166,129	2,229	168,358
LIABILITIES							
NON-CURRENT LIABILITIES							
Other long-term liabilities	iii	18,831	1,907	20,738	17,509	2,012	19,521
		18,831	1,907	20,738	17,509	2,012	19,521
CURRENT LIABILITIES							
Due to Province of British Columbia	iii	13,773	(2,124)	11,649	-	-	-
Accounts payable and accrued liabilities	iii	137,967	217	138,184	141,467	217	141,684
Bank indebtedness		-	-	-	7,153	-	7,153
		170,571	-	170,571	166,129	2,229	168,358

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

Reconciliation of comprehensive income for the year ended March 31, 2011

A reconciliation between Canadian GAAP and IFRS comprehensive income for the year ended March 31, 2011 is provided below.

	Note	Previous GAAP	Effect of transition to IFRS	IFRS
Sales	i	2,820,455	(10,310)	2,810,145
Less commissions and discounts	ii	(201,543)	21,794	(179,749)
Net sales		2,618,912	11,484	2,630,396
Cost of sales	i,ii	(1,458,335)	(11,484)	(1,469,819)
Gross profit		1,160,577	-	1,160,577
Administration expenses	iii	(268,401)	(105)	(268,506)
Transportation expenses		(9,489)	-	(9,489)
Marketing expenses		(3,534)	-	(3,534)
Net operating income		879,153	(105)	879,048
Finance expenses		(47)	-	(47)
Other income		11,269	-	11,269
Net income and comprehensive income		890,375	(105)	890,270

- i) Under Canadian GAAP, charges to suppliers relating to temporary price reductions were included as sales. Under IFRS, these charges are included under the cost of sales. This reclassification had no impact on net income for the year ended March 31, 2011 or on the amount due from the Province of British Columbia.
- ii) Under Canadian GAAP, supplier payments relating to sales of British Columbia wines were included as sales and discounts. Under IFRS, these payments are included under the cost of sales. This reclassification had no impact on net income for the year ended March 31, 2011 or on the amount due from the Province of British Columbia.

Liquor Distribution Branch

Notes to the financial statements

For the years ended March 31, 2012 and 2011

(Tabular amounts in thousands of dollars)

- iii) Both Canadian GAAP and IFRS require that lease payments be spread equally over the term of the lease and that any rent-free periods are also spread in such a manner. These have previously been recognized on a cash basis. As a result, other long-term liabilities increased by \$1,907 thousand at April 1, 2010 and \$2,012 thousand at March 31, 2011; amount due to the Province of British Columbia decreased by \$2,124 thousand at April 1, 2010 and amount due from the Province of British Columbia increased by \$2,229 thousand at March 31, 2011. The net effect of these transition adjustments of \$105 thousand was recorded to rent expense for the year ended March 31, 2011.

- iv) Under Canadian GAAP, the cost of store inventories was measured using a first-in, first-out basis formula. Under IFRS, the Branch changed the inventory valuation method for the stores to a weighted average cost basis. This change had no material impact on the valuation of the store inventory.

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Debts

B.C. Liquor Distribution Branch's long term debt is not secured by debt instruments nor is it covered by sinking funds or reserves.

Prepared under the Financial Information Regulation, Schedule 1, section 4.

Schedule of Guarantee and Indemnity Agreements

B.C. Liquor Distribution Branch has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Prepared under the Financial Information Regulation, Schedule 1, section 5.

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Remuneration and Expenses (unaudited) For the year ended March 31, 2012

Name	Remuneration	Expenses	Total
Afanasev, A.	76,550	140	76,690
Akbulatov, R.	77,404	61	77,465
Anand, P.	101,541	328	101,869
Apolinario, F.	86,287	3,275	89,562
Bains, P.	84,193	361	84,554
Ballantyne, D.	75,595	2,452	78,047
Barker, W.	86,747	1,761	88,508
Bissoondatt, R.	152,423	21,018	173,441
Blow, K.	75,752	758	76,510
Branham, G.	104,934	5,439	110,373
Brown, R.	87,477	293	87,770
Campbell, C.	76,264	24,766	101,030
Campbell, D.	77,013	-	77,013
Cann, R.	85,014	277	85,291
Carlson, W.	75,543	3,481	79,024
Cesar, C.	83,663	285	83,948
Chambers, J.	203,304	39,287	242,591
Chan, D.	92,206	-	92,206
Cherry, B.	86,807	-	86,807
Cheung, L.	107,498	2,062	109,560
Christensen, B.	75,461	300	75,761
Chu, E.	135,719	-	135,719
Dalzell, P.	75,525	3,637	79,162
Deng, W.	85,879	119	85,998
Deo, K.	88,231	106	88,337
Dobrozdravich, T.	86,521	10,719	97,240
Dockstader, R.	76,019	-	76,019
Elder, T.	82,975	18,628	101,603
Evans-Atkinson, J.	96,695	1,035	97,730
Farley, D.	121,480	12,461	133,941
Farmer, B.	77,706	-	77,706
Ferrara, R.	94,938	3,817	98,755
Fong, J.	82,553	3,283	85,836
Fontaine, D.	83,255	1,613	84,868
Fukuhara, M.	88,365	2,013	90,378
Gauthier, G.	84,009	8,679	92,688
Gibney, D.	83,693	2,414	86,107
Gill, H.	115,768	125	115,893
Groff, A.	78,739	-	78,739
Guzzo, K.	77,744	4,141	81,885
Hall, G.	102,700	4,819	107,519
Haller, L.	86,335	18,064	104,399
Huh, B.	82,474	-	82,474
James, R.	96,806	4,358	101,164

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Remuneration and Expenses (unaudited) For the year ended March 31, 2012

Name	Remuneration	Expenses	Total
Jing, J.	76,940	-	76,940
Johnson, R.	77,265	2,658	79,923
Kaldenhoven, K.	95,100	165	95,265
Kapeluck, D.	77,871	2,673	80,544
Kelly, M.	77,920	5,653	83,573
Kent, D.	92,713	66	92,779
Kho, P.	95,174	12,626	107,800
Kimm-Jones, R.	79,309	117	79,426
Kok, R.	111,773	160	111,933
Kristoff, P.	85,055	514	85,569
Kuromi, G.	87,636	851	88,487
Lai, H.	76,979	2,645	79,624
LaRoche, A.	89,390	14,869	104,259
Lau, T.	85,872	1,921	87,793
Lee, T.	97,834	-	97,834
Lee, T.	86,067	3,717	89,784
Leitch, S.	76,168	-	76,168
Ling, S.	86,949	2,677	89,626
Liu, O.	83,314	187	83,501
Low, E.	101,321	6,077	107,398
Mahal, P.	94,840	-	94,840
McDonnell, K.	97,760	3,792	101,552
McEwan, E.	88,916	5,328	94,244
McGowan, P.	84,241	8,285	92,526
Mcphate, A.	78,120	4,622	82,742
Michael, W.	101,864	7,673	109,537
Mogg, D.	78,373	1,237	79,610
Mohn, D.	96,814	1,872	98,686
Mok, K.	91,755	-	91,755
Molnar, Z.	91,874	4,384	96,258
Morse, D.	96,446	6,151	102,597
Nanji, A.	98,172	7,528	105,700
Ngui, C.	76,318	-	76,318
Northcote, S.	91,476	735	92,211
O'Brien, P.	98,445	2,068	100,513
Olynyk, Z.	94,173	-	94,173
Pablo, A.	76,306	604	76,910
Parry, P.	100,462	7,538	108,000
Patten, M.	95,707	5,556	101,263
Peng, V.	80,618	958	81,576
Petersen, S.	91,881	791	92,672
Philip, B.	78,924	10,839	89,763
Primrose, R.	82,855	-	82,855

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Remuneration and Expenses (unaudited) For the year ended March 31, 2012

Name	Renumeration	Expenses	Total
Procopio, M.	120,787	5,578	126,365
Randhawa, P.	98,259	865	99,124
Reynolds, G.	98,761	5,909	104,670
Robertson, J.	86,384	1,752	88,136
Rodgers, C.	79,360	2,781	82,141
Sandri, J.	82,032	230	82,262
Schiedel, S.	78,676	4,850	83,526
Schilberg, L.	75,990	-	75,990
Scopelleti, J.	84,513	2,607	87,120
Seeley, P.	95,669	2,493	98,162
Senff, G.	75,350	278	75,628
Sethi, S.	83,359	3,949	87,308
Shariff, A.	88,451	2,422	90,873
Shaw, A.	77,129	1,043	78,172
Sheppard, C.	82,790	838	83,628
Shklover, M.	96,762	460	97,222
Sidhu, K.	92,069	2,217	94,286
Straith, M.	94,470	53	94,523
Stuart, P.	83,679	486	84,165
Thompson, N.	91,972	3,989	95,961
Tomlinson, N.	78,973	856	79,829
Tougas, R.	98,867	770	99,637
Tymo, N.	94,153	3,886	98,039
Wang, J.	89,775	4,892	94,667
Willis, K.	77,519	1,448	78,967
Wilson, K.	136,175	8,940	145,115
Wong, A.	96,502	3,177	99,679
Wong, J.	75,295	8,264	83,559
Woo, K.	141,835	-	141,835
Yee, B.	80,886	69	80,955
Zelenika, G.	141,962	-	141,962
Zhao, X.	89,478	1,012	90,490
Zheng, S.	87,552	4,096	91,648
Zheng, W.	102,769	-	102,769
Amounts Over \$75,000	11,020,998	424,122	11,445,120
Amounts Under \$75,000	121,471,570.58	1,234,005.05	122,705,575.63
Grand Total	132,492,568.58	1,658,127.05	134,150,695.63

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Remuneration and Expense Reconciliation (unaudited) For the year ended March 31, 2012

Total remuneration (T4) - employees	132,492,569
Reconciling items:	
Employer paid benefits	33,685,172
Outside temporary services & meal allowances	54,106
WCB & Cost recoveries	(423,912)
Labour allocated to Capital Projects	(2,252,489)
Year end adjustments (Net)	5,168,684
Year end payroll accruals	(4,029,504)
Pre-retirement payments	(1,359,548)
Other	978,841
	<u>\$ 164,313,919</u>
Total per Statement of Revenue and Expenditure	
Operating Expenses - Salaries and Wages	<u>\$ 164,313,919</u>
	<u>\$ 164,313,919</u>
Variance	<u>\$ -</u>

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(2)

Statement of Severance Agreements

During the fiscal year ended March 31, 2012, there were two severance agreements made between the LDB and non-unionized employees. The agreements represented 4 to 12 months of salary and benefits.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
0745248 BC LTD.	120,751
0751394 BC LTD	80,660
0885242 BC Ltd.	217,156
2601-2609 WESTVIEW DRIVE LEASEHOLDS LIMITED	292,135
297296 BC LIMITED	110,263
3 S PRINTERS INCORPORATED	83,786
385728 BC LIMITED	1,934,367
3873731 CANADA INC DBA ACTION INVENTORY SERVICES	551,257
448844 BC LIMITED	32,957
490 REID VENTURES LIMITED	166,184
517244 BC LIMITED	178,539
526087 BC LIMITED	51,053
586041 BC LTD	75,296
603939 BC LTD	30,571
627022 BC LIMITED	246,076
A & K LA BOUTIQUE DU VIN	131,469
A.C. WINE SYNDICATE INC	1,172,712
ABLE-ONE SYSTEMS INC.	206,763
ACCELLOS INC	89,759
ACCESS GAS SERVICES INC	105,020
ACCURATE GLASS LIMITED	33,447
ACRO MEDIA INC	52,340
ADVERTENT VENTURES LTD.	167,642
AFIC EXIM (CANADA) CORPORATION	1,936,660
ALAN & THERESA WALKER	26,826
ALBERTA DISTILLERS LIMITED	10,963,335
ALDERGROVE VILLAGE LIMITED PARTNERSHIP	176,252
ALLEN BRANDS INC	276,261
ALLOY BRANDS INC	1,011,450
ALTOVIN INTERNATIONAL LIMITED	3,075,959
AM/PM MOBILE SOLUTIONS	220,646
AMATI CORPORATION	125,696
AMERICAN INVESTMENTS LIMITED	119,636
ANARONA WINES LIMITED	302,126
ANDREW PELLER LIMITED	57,166,182
ANISOFT GROUP INC	304,562
ANIXTER CANADA INC	44,472
ANNEX CONSULTING GROUP INC	188,084
ANTERRA WESTBANK TOWNE CENTRE LIMITED	250,356
ANTHEM KRC SALISH PLAZA LTD	52,801
AON REED STENHOUSE	145,099
APOLLO INDUSTRIES LIMITED	519,048
APPELLATION WINE MARKETING INC	1,134,700
AQUATERRA MANAGEMENT LIMITED	277,755
ARCH EAGLE PROPERTIES LIMITED	104,513
ARCTURUS LP	212,166
ARPAC STORAGE SYSTEMS CORP	36,011
ARTISAN SAKEMAKER AT GRANVILLE ISLAND	198,000
ASI PLASTICS	56,024
ASPEN POINT CONSTRUCTION LTD.	174,062

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
ATLAS SIGN & AWNING COMPANY	531,924
AUSTEVILLE PROPERTIES LIMITED	386,525
AUTHENTIC WINE & SPIRITS MERCHANTS	18,189,543
AVALON BREWING CO	985,213
AVERILL CREEK	41,098
AXIS PLANNING INC	48,797
B&L SECURITY PATROL (1981) LIMITED	99,111
BACARDI CANADA INC	23,773,439
BACCHUS GROUP, THE	5,219,121
BANDSTRA TRANSPORTATION SYSTEMS LTD	701,743
BANK OF AMERICA NATIONAL ASSOCIATION	6,715,335
BAR GLOBAL DISTRIBUTION LIMITED	27,311
BARBIERI DEVELOPMENTS LTD	479,129
BARCA ENTERPRISES LTD	68,717
BARLEY MILL BREWPUB, THE	35,432
BARREL SELECT INC	49,511
BASSANO HARD SODA INC	330,561
BC FLUORESCENT SALES & SERVICE LIMITED	84,940
BC GOVERNMENT EMPLOYEES' UNION	2,203,675
BC HYDRO	1,795,511
BCIMC REALTY CORPORATION	733,353
BEAM GLOBAL CANADA INC	7,971,960
BEATTY FLOORS LTD.	201,167
BECKVILLE WOODCRAFTS LIMITED	273,810
BEER BARONS INC	47,505
BELL CANADA	84,335
BENTALL KENNEDY (CANADA) LP	396,249
BEVERAGE HANDLING SYSTEMS LIMITED	91,067
BEVERAGE INTERNATIONAL DISTRIBUTORS	73,907
BIG RIDGE BREWING COMPANY	29,741
BIG RIVER BREWING COMPANY	38,097
BIG ROCK BREWERY LIMITED BC	6,916,953
BIZTECHMASTERS INC	191,923
BKR IMPORTERS INC	28,348
BLACK FLY BEVERAGE COMPANY INC	60,945
BLASTED CHURCH VINEYARDS INC	751,113
BLJC C/O CIBC LEASE ADMINISTRATION	26,334
BLUE LAGOON HOLDINGS INC	25,090
BLUE NOTE WINE & SPIRITS INC	1,233,784
BLUE SPRUCE INVESTMENTS LIMITED	78,767
BOULTBEE REALTY LIMITED	532,567
BOWEN ISLAND FREIGHT LTD	38,980
BRAINS II CANADA INC	367,446
BRAVO BEER CORPORATION	767,479
BRES-LP	39,335
BREWERS' DISTRIBUTOR LIMITED	484,415,886
BRIAN SHEPHERD	27,470
BRICK BREWING CO	134,324

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
BRINKS CANADA LIMITED	370,619
BROWN-FORMAN BEVERAGES WORLDWIDE	6,764,540
BRUCE ASHLEY GROUP	4,366,632
BRUCE CARSCADDEN ARCHITECT INC	74,755
BUCCI INVESTMENT CORPORATION	346,901
BURROWING OWL ESTATE WINERY LIMITED	185,474
BURROWS & LUONGO	1,688,187
BURTEK SYSTEMS CORP	29,986
CA CANADA COMPANY	139,295
CALIBRIUM INTERNATIONAL LIMITED	1,832,946
CALLAHAN CONSTRUCTION COMPANY LTD	362,978
CAMBIE STREET PROPERTIES INC	755,258
CAMEO ENTERPRISES LIMITED	94,120
CANADA DRY MOTT'S INC	1,637,772
CANADA FUTURE INVESTMENT CO	200,985
CANADA POST CORPORATION	40,361
CANADA SAFEWAY LIMITED	3,098,073
CANADIAN FREIGHTWAYS	39,477
CANADIAN ICEBERG VODKA CORPORATION	238,094
CANADIAN RED CROSS SOCIETY	622,203
CANNERY BREWING CO, THE	1,238,733
CANREAL MANAGEMENT CORPORATION IN TRUST	133,957
CANVEN ENTERPRISES LIMITED	46,379
CARLSBERG CANADA INC	2,369,079
CARTER PONTIAC BUICK LIMITED	36,644
CEDAR CREEK ESTATE WINERY	1,564,539
CENTRAL CITY BREWING CO	2,508,961
CENTURY GROUP LANDS CORPORATION	297,552
CENTURY MARKETING CORP	132,164
CHAMPLAIN SQUARE LP	277,064
CHARTON HOBBS INC	17,287,609
CHATEAU DES CHARMES WINES LIMITED	759,858
CHEMAINUS INVESTMENTS LIMITED PARTNERSHIP	74,414
CHESTNUT PROPERTIES LIMITED	311,206
CHILKOOT BREWING COMPANY LIMITED	175,534
CHRISTOPHER STEWART WINE & SPIRITS INC	3,740,606
CINTAS CANADA LTD. (889-W17)	26,655
CITY OF KAMLOOPS	244,681
CITY OF VANCOUVER	962,446
CITY TRANSFER INC	258,926
CLARKE TRANSPORT	551,357
CLEARBROOK TOWN CENTRE LIMITED	313,936
CLEARWATER ENTERPRISES LIMITED	50,291
CLEVER IMPORTS LLC	80,690
COAST LIGHTING (VI) LIMITED	85,156
COAST PAPER	119,653
COBEES ENTERPRISE LIMITED	112,916
COLLEGE HEIGHTS PLAZA	140,154
COLLIERS MACAULAY NICOLLS INC	859,596

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
COLUMBIA PLACE COLUMBIA SQUARE HOLDINGS INC	484,180
COLYVAN - URBAN PROPERTIES LIMITED	32,953
COMMERCIAL LIGHTING PRODUCTS LTD	54,691
COMMERCIAL LOGISTICS INC	2,040,656
COMOX PACIFIC EXPRESS LTD	41,379
CONSUMING VENTURES INC	377,138
CONTAINER WORLD FORWARDING SERVICES INC.	89,958
COOPERS CREEK VINEYARD LIMITED	30,444
CORAL ENVIRONMENTS LIMITED	69,409
CORBY DISTILLERIES LIMITED	42,238,963
CORPORATE EXPRESS CANADA INC	216,976
CRAG HOLDINGS LTD	32,535
CRAIG STREET BREWING CO LTD	57,757
CRANNOG ALES LIMITED	332,799
CRESTON VALLEY MALL LIMITED	73,031
CROSBY PROPERTY MANAGEMENT LTD	223,987
CRU EXPORT MANAGEMENT GROUP LTD.	1,797,453
CULIN IMPORTERS LIMITED	125,665
CUSTOM PAPER LIMITED	125,455
DANEBI SYSTEMS INC	177,358
DASILVA DEVELOPMENTS LIMITED	175,043
DATATECH BUILDING LP	195,863
DATAVANTAGE CORPORATION	85,065
DAUM ENTERPRISES LIMITED	33,588
DAVAMCO CHARTERS INC	75,079
DAVID HERMAN & SON LIMITED	4,004,120
DEAD FROG BREWERY	1,680,211
DEAN'S OILFIELD SERVICES LTD	179,808
DELANCEY DIRECT INC	33,410
DELEGAT'S WINE ESTATE LTD	3,220,343
DELF GROUP INC, THE	7,755,795
DELOITTE & TOUCHE LLP	5,556,982
DEN BORNHOLMSKE SPRITFABRIK APS	26,202
DIAGEO CANADA INC	63,621,576
DIAMOND ESTATES WINES & SPIRITS LIMITED	3,490,946
DIONY TRADING INC	32,639
DIRECT SOURCE INTERNATIONAL INC	346,602
DO ALL ENTERPRISES	440,636
DODWELL REALTY LTD.	1,056,013
DOGWOOD SIGN & LIGHT MAINTENANCE	92,588
DOLLARTON SHOPPING CENTRE	233,605
DOMAINE PINNACLE INC	250,072
DONALD WILLIAMS	39,350
DORSET REALTY GROUP	1,103,862
DREAM WINES CORPORATION	1,989,986
DRIFTWOOD BREWING	2,653,713
DRIFTWOOD PROPERTIES LIMITED	40,361
DTM SYSTEMS CORPORATION	90,669
E&J GALLO WINERY	9,927,102
EARTH WINES	56,251

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
EDGAR DESIGNS	463,259
EDOKO FOOD IMPORTERS LIMITED	57,668
EKO WINES CORPORATION	36,311
EMPSON CANADA	310,978
ENCAN CONSTRUCTION LTD.	524,563
ENCORP PACIFIC CANADA	45,561,760
ENERPRO SYSTEMS CORP	60,447
ENERSYS CANADA INC	33,857
ENOTECA BACCO	393,011
EPIC IMAGING	117,280
ERNST AND YOUNG LLP	67,592
EVOLUTION FINE WINES LIMITED	702,131
EXPRESS DATA LIMITED	230,171
F&G DELIVERY LIMITED	1,073,090
FAIRMILE DEVELOPMENTS LIMITED	190,067
FASTSIGNS VANCOUVER	26,381
FERNIE BREWING CO	1,134,768
FETZER VINEYARDS	138,561
FINE VINTAGE LIMITED	41,496
FINEVINE IMPORTS INC	38,811
FIREWEED BREWING CORP	5,415,175
FIRST CAPITAL CORPORATION	1,558,686
FLEXAHOPPER PLASTICS LTD	106,462
FLYNN CANADA LTD	733,529
FOLEYS CANDIES LTD	73,472
FOREMOST WINE DOMAINES	159,211
FORSYTHE	113,399
FORTISBC - ELECTRICITY	108,510
FORTISBC - NATURAL GAS	419,129
FRASER LAKE SHOPPING CTR INC	41,478
FREE HOUSE WINES & SPIRITS LIMITED	1,853,504
FUJITSU CONSULTING (CANADA) INC	169,777
G PALOUBIS & SON INC	422,843
G4S CASH SOLUTIONS (CANADA) LIMITED	221,846
GALIANO ISLAND	33,087
GALILEO WINE & SPIRITS LTD	60,790
GARTNER CANADA, CO.	179,095
GEE RICK HOLDINGS LIMITED	222,130
GEHRINGER BROS ESTATE WINERY	1,782,255
GENERAL FASTENERS LIMITED	47,999
GENERAL PROPERTIES LIMITED	57,477
GIFFARD	105,945
GIVEX CANADA CORP	130,106
GLENMORE PRINTING	1,072,623
GLOBEFILL INC	415,652
GOLD MEDAL MARKETING	108,546
GOLDEN ACRES VENTURES LTD	39,321
GOLDEN MASONIC CENTRE SOCIETY	80,493

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
GOODBYE GRAFFITI INC	25,196
GORDON OSTERLOH	92,671
GRANVILLE ISLAND BREWING COMPANY	24,732,615
GRANVILLE TOYOTA	119,858
GRAPHIC OFFICE INTERIORS	100,510
GRAY MONK CELLARS	3,168,278
GREAT LITTLE BOX COMPANY	39,189
GREAT WEST LIFE ASSURANCE CO	618,102
GREAT WESTERN BREWING CO LIMITED	618,372
GREEN AVENUE AGENCY INC	402,491
GROSVENOR CANADA LIMITED	282,857
GUELPH TWINES LIMITED	69,202
GUILDFORD TOWN CENTRE LIMITED PARTNERSHIP	257,678
GULF ISLANDS BREWERY LIMITED	308,883
GUNTHER MELE LIMITED	181,863
GWL REALTY ADVISORS INC, ITF	573,957
HARBOUR CENTRE COMPLEX LIMITED	330,904
HARDING FORKLIFT SERVICES LIMITED	938,104
HAWTHORNE MOUNTAIN VINEYARDS	341,664
HAYS SPECIALIST RECRUITMENT (CANADA) INC	83,706
HEARTHSTONE PROPERTIES LIMITED	402,263
HEENAN BLAIKIE LLP	114,734
HEMLOCK PRINTERS LIMITED	35,451
HENRY OF PELHAM FAMILY ESTATES	377,514
HERITAGE QUAY DEVELOPMENTS LIMITED	28,829
HERITAGE REALTY PROPERTIES LIMITED	197,950
HESTER CREEK ESTATE WINERY	979,964
HEWLETT PACKARD (CANADA) LIMITED	960,368
HI-BRIDGE CONSULTING CORP	314,767
HIGHWOOD DISTILLERS LIMITED	2,834,535
HILL'S LIQUERE (NORTH AMERICA) INC	165,050
HILTON VANCOUVER METROTOWN	33,941
HIRAM WALKER & SONS LIMITED	1,882,101
HIWAY FUEL SERVICES LTD	55,598
HODGSON ELECTRIC INC	67,768
HODGSON FREIGHTWAYS LIMITED	41,803
HOG'S BREATH COFFEE CO LTD	53,765
HORIZON WINES INC	440,747
HOWARD NEMTIN & ASSOCIATES LIMITED	50,869
HOWE SOUND BREWING	1,924,350
HOYNE BREWING COMPANY LTD	97,848
HR MANAGEMENT CONSULTANTS LTD	45,562
HUGH & MCKINNON REALTY LTD IN TRUST	124,688
HWP WHISTLER'S MARKETPLACE LTD.	195,695
IBM CANADA LIMITED	275,460
ICON FINE WINE AND SPIRITS LTD	2,987,448
IGNITE TECHNICAL RESOURCES LTD	252,104
IN DEVELOPMENT CONSTRUCTION	168,966
INDEPENDENT DISTILLERS	1,063,672
INGENICO	55,628

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
INLAND KENWORTH	212,251
INNISKILLIN OKANAGAN VINEYARDS INC	4,780,285
INNISKILLIN WINES INC	585,145
INTEPLAST BAGS & FILMS CORPORATION	1,047,146
INTERIOR ICE & WATER INC.	27,054
INTERNATIONAL CELLARS INC	7,328,452
INTERNATIONAL WEB EXPRESS	115,599
INVESTORS GROUP TRUST CO LIMITED	251,095
IPS (INTEGRITY-PAAHI SOLUTIONS INC)	52,065
IREDALE GROUP ARCHITECTURE	301,014
IRON MOUNTAIN CANADA CORPORATION	66,851
IRONWOOD DEVELOPMENTS LIMITED	423,860
ISABELLA WINERY LTD	215,542
ISLAND KEY COMPUTER LTD.	77,346
ISLAND SPIRITS DISTILLERY CORPORATION	80,724
JADE INVESTMENTS LIMITED	74,351
JAMES L PETERSON	34,210
JDA SOFTWARE CANADA LIMITED	388,512
JDK SIGN MAINTENANCE	81,493
JENSEN, O	56,432
JF HILLEBRAND CANADA INC	198,883
JNE RETAIL EQUIPMENT LIMITED	75,601
JOHN ALLEN BREWING CO LIMITED, THE	132,099
JOHN F KELLY & ASSOCIATES	638,723
JOHNSTON EQUIPMENT CO LIMITED	237,057
JORDANS RUGS LTD.	60,956
JOVAN POCEKOVIC	59,285
JRS ENGINEERING LTD.	32,760
JULIA SMITH	48,094
KAM KWAN SING	514,900
KAMLOOPS POWDER COATINGS	111,078
KELLAND FOODS HOLDINGS LIMITED	164,074
KEN HANNA	37,414
KEN MAYER STUDIOS	204,271
KENWAY INTERNATIONAL TRADING LIMITED	2,267,753
KEVINGTON BUILDING CORP	443,937
KING DAY TRADING LIMITED	48,186
KING'S CROSS SHOPPING CENTRE	224,519
KINGSGATE MALL LP	340,963
KIRKWOOD GROUP, THE	3,226,772
KITTLING RIDGE LIMITED	857,711
KOBAIR HOLDINGS LIMITED	56,108
KROMBACHER BRAUEREI	187,723
LA BRASSERIE MCAUSLAN INC	1,054,915
LABATT BREWERIES OF CANADA	17,771,981
LAKE VIEW CREDIT UNION	80,139
LANDMARK ARCHITECTURE LTD.	26,364
LANDMARK SELECTIONS LIMITED	8,577,297

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
LBJ PROPERTIES LTD.	71,626
LEADON TRAINING SOLUTIONS INC.	80,797
LEAVITT MACHINERY	92,203
LEGACY BRAND MANAGEMENT INC	49,941
LGA CONSULTING INC	73,722
LIBERTY MERCHANT COMPANY INC	2,745,324
LIGHTHOUSE BREWING COMPANY LIMITED	4,684,083
LIQUID ART FINE WINES	945,343
LIQUID CHICKS INC	25,260
LIQUOR CONTROL BOARD OF ONTARIO	43,502
LOCKE PROPERTY MANAGEMENT IN TRUST	60,164
LONE TREE CELLARS	378,064
LONGWOOD BREW PUB LIMITED	239,887
LOON PROPERTIES INC	512,170
LOS VINOS MERCHANTS LIMITED	45,562
LULU ISLAND WINERY LTD	1,133,673
LYNN VALLEY SHOPPING CTR	442,824
MAAST PROPERTIES & INVESTMENTS LIMITED	36,318
MACKENZIE VENTURES LIMITED	55,934
MAGNOTTA CORPORATION	62,358
MAGNUM CONSULTANTS LIMITED	331,009
MAISON DES FUTAILLES	229,090
MAISON MOMMESSIN	31,869
MALINDA DISTRIBUTORS INC	111,160
MAPLE LEAF PROPERTY MGMT	380,439
MAPLE RIDGE CHRYSLER JEEP DODGE	29,088
MARCUS VON ALBRECHT / VON ALBRECHT & ASSOC.	118,721
MARINER SQUARE LIMITED PARTNERSHIP	269,444
MARK ANTHONY GROUP INC	85,098,168
MARKAT WINES LTD	183,951
MARK'S WORK WEARHOUSE LIMITED	33,871
MARRAM FINE WINES LIMITED	471,157
MARTELLO PROPERTY SERVICES INC IN TRUST #2	46,686
MCCLELLAND PREMIUM IMPORTS	482,815
MEAGHERS DISTILLERY LIMITED	9,542,656
MESA HOLDINGS	34,723
METAFORE TECHNOLOGIES INC	206,613
METRO MOTORS LIMITED	115,983
MEYERS NORRIS PENNY LLP	63,504
MICROSERVE BUS COMP SERV LTD	413,982
MICROSOFT CANADA INC	493,439
MID ISLAND CONSUMER SERVICE CO-OPERATIVE	40,032
MID ISLAND TRUCK & CRANE LIMITED	29,490
MILL BAY CENTRE	148,602
MINISTER OF FINANCE	14,625,207
MISSION SPRINGS DEVELOPEMENTS LIMITED	39,635
MITCHELL PRESS LIMITED	1,067,020
MJS BEVERAGE CONCEPTS INT'L	1,842,910
MOLSON CANADA 2005	57,240,081

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2011

Supplier Name	Amount
MONDIA ALLIANCE CANADA INC	185,058
MOON CURSER VINEYARDS	55,692
MOON UNDER WATER BREWERY LTD, THE	67,124
MORGUARD REAL ESTATE INVESTMENT TRUST	255,856
MORRIS & DEBORAH KROMHOUT	55,840
MOTT ELECTRIC LIMITED	233,680
MOUNTAIN PACIFIC PROPERTIES LIMITED	97,282
MSR	79,604
MT BEGBIE BREWING COMPANY LIMITED	1,484,419
MT BOUCHERIE ESTATE WINERY	143,862
MURRAY BANCROFT CONSULTING	26,744
NATHAN FONG & ASSOCIATES	37,093
NECK OF THE WOODS WINERY INC	34,372
NEDCO ELECTRICAL SUPPLY	72,661
NELSON & DISTRICT CREDIT UNION	52,069
NELSON BREWING COMPANY, THE	2,383,267
NEW WORLD WINES	511,303
NEWFOUNDLAND LABRADOR LIQUOR CORPORATION	1,032,568
NEWPORT PROPERTY MANAGEMENT IN TRUST	236,019
NIGHTINGALE ELECTRICAL LTD	153,294
NK'MIP CELLARS INC	2,543,307
NON DRINKS TO GO INC	28,300
NOORT INVESTMENTS	76,800
NORSTAD PRODUCTS INC	63,543
NORTH LANGLEY SHOPPING CENTRE LIMITED	209,200
NORTH POINT CONSULTING GROUP LTD	172,410
NORTHAM BREWERY LP	10,469,291
NORTHERN GIFTS LIMITED	369,748
NORTHILLS SHOPPING CENTRE	213,014
NORTHLEAF FOODS	97,701
NORTHWEST WASTE SOLUTIONS INC	34,177
NWA REALTY ADVISORS (FERNIE) LTD.	82,754
OASIS BAGS	157,920
OKANAGAN SPIRITS INC	217,242
OKANAGAN SPRING BREWERY LIMITED	93,446,929
OMEGA TRADING GROUP LIMITED	52,998
OMNI FACILITY SERVICES CANADA LIMITED	196,973
ONE WEST HOLDINGS LTD	108,222
ONNI DEVELOPMENT (IOCO ROAD) CORP.	324,252
ONNI PROPERTY MANAGEMENT SERVICES LTD.	449,891
OPTIMUS INFORMATION INC	53,726
ORACLE CANADA ULC	892,197
ORWAK USA LLC	402,101
OSOYOOS LAROSE	1,147,238
OVERLAND WEST FREIGHT LINES	28,068
OVERWAITEA FOOD GROUP LP	116,058
PACIFIC BREEZE WINERY LTD	688,906
PACIFIC NEWSPAPER GROUP INC	27,321
PACIFIC NORTHERN GAS LIMITED	46,223

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
PACIFIC PALLET LIMITED	788,004
PACIFIC WESTERN BREWING COMPANY	32,725,605
PACIFIC WINE & SPIRITS INC.	2,960,007
PADDOCK WOOD BREWING	47,113
PAINTED ROCK ESTATE WINERY LTD	35,556
PALADIN SECURITY GROUP LTD	2,478,930
PARADISE RANCH WINES CORP	503,127
PARK ROYAL SHOPPING CENTRE HOLDINGS LTD	605,678
PARTNERS REIT - EVERGREEN	45,090
PATAGONIA IMPORTS LTD	549,429
PATRICIA HOTEL VANCOUVER	51,283
PATRON SPIRITS LIMITED, THE	125,708
PAULANER BRAUEREI GMBH & CO KG	57,084
PEACOCK & MARTIN	542,020
PEMBERTON DISTILLERY INC	43,784
PENINSULA VILLAGE SHOPPING CENTRE LTD	304,563
PENTICTON PLAZA IN TRUST	231,450
PERFORMANCE PAINTING & DECORATING	269,264
PERMANENCE CONSULTING INC	71,330
PETER MIELZYNSKI AGENCIES LIMITED	15,427,195
PG FLOOR FASHIONS LTD	55,439
PHH VEHICLE MANAGEMENT - T10083	119,407
PHILIPPE DANDURAND WINES LIMITED	5,561,488
PHILLIPS BREWING CO	12,142,566
PHILLIPS PRODUCTS CO LLC	1,775,980
PILLITTERI ESTATES WINERY	156,073
PINE CENTRE HOLDINGS INC.	420,451
PINNACLE INTERNATIONAL REALTY GROUP II INC	341,996
PLAN B BREWING CO	107,520
POPLAR GROVE WINERY	54,665
POSTAGE BY PHONE	280,560
POWELL DORIAN	108,046
POWER VAC SERVICES	36,753
PR BRIDGE SYSTEM LTD	220,692
PREMIER BRANDS LIMITED	4,713,250
PREMIUM BEER COMPANY, THE	1,968,340
PRESTIGE WINE GROUP	78,948
PRICE WATERHOUSE COOPERS LLP	56,000
PROJECT MANAGEMENT CENTRE OF EXCELLENCE INC	186,849
PROLIFT EQUIPMENT LIMITED	73,669
PROQUIP ON-SITE DIESEL REFUELING LTD	123,410
PROSPERO INTERNATIONAL REALTY INC.	739,158
PROVINCIAL LOCK & SAFE	169,605
PUBLIC SERVICE LONG TERM DISABILITY FUND	4,486,236
PUBLIC SERVICE PENSION PLAN	19,451,154
PUROLATOR COURIER LIMITED	29,291
PURPLE VALLEY IMPORTS INC	245,205
QINGHUA INTL TRADE DEVELOPMENT CORP	416,021

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
QUAILS' GATE ESTATE WINERY LIMITED	2,273,529
QUARTECH SYSTEMS LIMITED	260,039
R&B BREWING INC	1,428,113
R&H CREEKSIDE	245,250
RACINE WINE IMPORTS	139,259
RADIUM MOTORS LIMITED	57,483
RADONS BROS FARMS LIMITED	110,967
RAIN CITY BRANDS	154,415
RANDSTAD TECHNOLOGIES	189,987
RARE DRAMS DISTRIBUTORS INC	91,146
REALCOM ADVISORS INC	334,999
RECEIVER GENERAL FOR CANADA	348,047,847
RED DOG SALES & MARKETING	365,945
RED DOG WINE & SPIRITS LTD	190,413
RED RIVER PACKAGING PRODUCTS	260,624
RED ROOSTER WINERY	3,680,723
RENAISSANCE WINE MERCHANTS LIMITED	1,794,964
RES MARKETING SERVICES	69,644
REVELSTOKE LAND & DEVELOPMENT CO LTD	136,784
RFS CANADA	37,401
RGIS CANADA ULC	54,204
RHINO PRINT SOLUTIONS INC	280,340
RICHMOND PROPERTY GROUP	480,795
RICOH CANADA INC	39,661
RIGHTSTAR SYSTEMS, INC.	46,690
RIVER ROCK PROPERTIES (VANCOUVER) LTD	242,870
RIVERBEND METAL (1997) CORP	69,438
RKZ CONSULTING LTD	150,954
ROAD 13 VINEYARDS	1,403,071
ROBERT OATLEY VINEYARDS	133,437
ROBERT RANDALL CONSULTING	155,361
ROCKTEEN CONTAINER CANADA, LP	106,389
ROGERS	40,196
ROOFTOP CELLARS LIMITED	178,575
RS PLASTICORP INDUSTRIES LIMITED	27,404
RURAL STORES LIMITED	136,521
RUSSELL BREWING CO LIMITED	3,682,097
RUTH SINGER INVESTMENT LIMITED	180,689
S.i. SYSTEMS C9565C	422,090
SAFFIRE WINES LIMITED	305,781
SAN NICOLA HOLDINGS INC	196,216
SANDRA M FIKUS	43,037
SAPPHIRE TECHNOLOGIES CANADA	86,651
SAVERIO SCHIRALLI AGENCIES LIMITED	3,504,978
SCHENLEY DISTILLERIES INC	939,897
SCHILLER ENTERPRISES LIMITED	93,915
SCHONMARKE ESTATE WINES	41,960
SD 5 VENTURES LIMITED	114,476
SEBUCOM INTERNATIONAL CORP	142,247
SECOND STAGE MANAGEMENT SERVICES LTD	27,317

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
SECURITY GROUP (VICTORIA)	54,796
SELECT WINE MERCHANTS LIMITED	16,320,238
SERENDIPITY WINE COMPANY	172,056
SERGUEI ORLOV OST TRADING	83,874
SHAPE PROPERTY MANAGEMENT CORP	165,101
SHEARDOWN'S FOODLINER LIMITED	33,712
SHEARWATER MARINE LTD	38,604
SHOPPERS CORNER LIMITED	299,810
SHUSWAP LAKE BREWING COMPANY	44,618
SHUSWAP PARK HOLDINGS LIMITED	150,988
SIMAY INVESTMENTS LIMITED	45,028
SIMMER FINE WINE & SPIRITS INC	83,817
SMURFIT-STONE CONTAINER CANADA, LP	26,374
SNOWBALL TRUCKING & EQUIPMENT INC.	33,469
SOFTCHOICE CORPORATION	59,828
SOPHIE INVESTMENTS INC	305,456
SOURCE DISPLAY INC	306,343
SPINNAKERS BREW PUB INC	179,447
ST HUBERTUS ESTATE WINERY LIMITED	111,110
STAG'S HOLLOW WINERY & VINEYARD	186,744
STANDARD LIFE ASSURANCE COMPANY OF CANADA	187,574
STANTEC	27,340
STATEWOOD PROPERTIES LIMITED	107,545
STEAM WHISTLE BREWING	909,015
STERLING MANAGEMENT SERVICES LTD	213,458
STILE ENTERPRISES LIMITED	3,461,406
STORM BREWING LIMITED	375,628
SUMAC RIDGE ESTATE WINERY LIMITED	7,172,765
SUMMERHILL ESTATE WINERY	237,922
SUMMIT BROOKE CONSTRUCTION CORP	5,069,462
SUMMIT FINE WINES COMPANY	1,216,957
SUNNY MARKETING INC	223,118
SUNNYCREST MANAGEMENT LTD.	153,793
SUPER CLEANING SERVICES	28,224
SUPERGRAPHICS	49,064
SUPERIOR PROPANE INC	44,172
SYCORP ENVIRONMENTAL INC	79,391
TANNIN FINE WINES LIMITED	31,174
TANTALUS VINEYARDS	27,965
TE SALES INCORPORATED	107,681
TEAM SALES LIMITED	58,405
TEEMA CONSULTING GROUP INC	214,216
TEEPEE HANDICRAFTS LIMITED	220,671
TEK SYSTEMS CANADA INC	196,678
TELUS COMMUNICATIONS COMPANY	71,507
TELUS MOBILITY	77,731
TELUS SERVICES INC	81,144
TENDER RETAIL INC	43,156
TERRAROSA IMPORTS INC	749,850
TESSLER & STEIN	34,417

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Schedule of Payments (unaudited) For the year ended March 31, 2012

Supplier Name	Amount
THAT'S LIFE GOURMET LIMITED	236,623
THE WINE GROUP	3,751,476
THIBODEAU ARCHITECTURE AND DESIGN	34,393
THINK COMMUNICATIONS INC.	250,104
THOMAS ROBERT AGENCY, THE	205,329
THORNHAVEN ESTATE WINERY	35,703
TIDAL MULTIMEDIA INC.	80,142
TIKAL CONSTRUCTION LTD.	524,575
TIN WHISTLE BREWING CO, THE	472,565
TINHORN CREEK VINEYARDS LIMITED	1,060,520
TMK LANDSCAPE MAINTENANCE	30,537
TOTAL GRAPHICS INC	113,924
TOWNE MILLWORK LIMITED	67,472
TOWNSHIP 7 VINEYARDS AND WINERY LTD.	204,328
TRAIL BAY PROPERTIES LIMITED	125,586
TRANS CANADA LABELS	47,326
TRANSLINK REVENUE MANAGEMENT DEPT	91,469
TRANSPACIFIC REALTY ADVISORS ITF CALIDO ENTERPRISES LTD	221,033
TREASURY WINE ESTATES CANADA INC.	11,883,198
TREEN SAFETY (WORKSAFE) INC	47,018
TRIALTO WINE GROUP LIMITED	68,740
TRICOR TRANSPORTATION INC.	208,218
TRILLIUM BEVERAGE INC	324,663
TROY FIRE & LIFE SAFETY LTD	27,607
TUFF CITY BREWING LTD	360,314
UNILOGIK SYSTEMS INC	324,531
UNISOURCE CANADA INC	109,324
UNITED DISTRIBUTORS OF CANADA	797,718
UNIVERSITE LAVAL	40,000
UNIVERSITY MARKET PLACE DEVELOPMENT PARTNERSHIP	147,862
URBAN DESIGN GROUP ARCHITECTS LIMITED	63,112
URBAN DISTILLERIES INC	139,158
VALEMOUNT HOLDINGS LIMITED	30,950
VALENTINA'S HOLDING CO LIMITED	51,440
VAN KAM FREIGHTWAYS LIMITED	8,024,542
VANCOUVER ISLAND BREWING COMPANY	7,689,047
VANCOUVER NEOLITE LTD.	198,171
VANRICK CORPORATION LIMITED	1,761,763
VARGAS HOLDINGS CO LIMITED	43,662
VELOSUS SOLUTIONS INC	706,580
VENDEMMIA CONSULTING GROUP	171,124
VESCOR BEVERAGES INC	59,169
VFB ACOUSTICS LIMITED	30,378
VICTOR PROJECTS LIMITED	333,797
VICTORIA SPIRITS	175,027
VINA LA ROSA LTDA	27,810
VINA MISIONES DE RENGO SA	25,240
VINCOR INTERNATIONAL INC	86,631,298
VINO ALLEGRO WINE IMPORTS INC	441,449

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

**Schedule of Payments (unaudited)
For the year ended March 31, 2012**

Supplier Name	Amount
VINTAGE CORKS	553,298
VINTAGE WEST WINE MARKETING INC	1,319,853
VISTEK LTD.	33,428
VISUAL VERIFICATION SYSTEMS INC	641,517
WAGLISLA FREIGHT LIMITED PARTNERSHIP	70,096
WAJAX INDUSTRIES LIMITED	145,482
WALDORF WINE GROUP INC	1,257,654
WARRINGTON PCI MANAGEMENT ITF	299,617
WAVEFRONT CONSULTING GROUP LTD	130,058
WEBIR AUTOMATION AND CONTROL SERVICES LTD	59,784
WEMBLEY MALL	152,682
WERNER SMITH MECHANICAL INC	279,050
WESBILD HOLDINGS LIMITED	433,571
WESGROUP PROPERTIES LP	188,249
WESTERN SALES LIMITED	57,533
WESTLO FINANCIAL CORP	477,921
WHITEHALL AGENCIES INC	681,148
WHITEHAVEN WINE COMPANY LTD	86,012
WILD GOOSE VINEYARDS & WINERY	36,780
WILLIAM GRANT & SONS	2,979,600
WINDJAMMER INVESTMENTS LIMITED	43,053
WINE RHAPSODY MUSIC TO YOUR MOUTH	123,793
WINEQUEST WINE & SPIRIT	267,690
WINERUNNERS INC	87,490
WIS INTERNATIONAL	95,945
WOLF BREWING COMPANY	217,347
WOLRIGE MAHON LLP	48,368
WOOD WHEATON CHEVROLET CADILLAC BUICK GMC LTD	37,905
WOOREE TRADING LTD	523,549
WORKSAFE BC	1,805,489
WPCG	461,670
WPM ITF HWP WHISTLER'S MARKETPLACE LTD.	272,176
WPS DISASTER MANAGEMENT SOLUTIONS LTD.	50,805
WRAY & NEPHEW CANADA LIMITED	2,038,846
XEROX CANADA LTD	862,806
	<u>2,013,743,725</u>
Amounts Under \$25,000	5,126,635
Total Supplier Payments	<u><u>2,018,870,360</u></u>

Ministry of Finance - Corporate Purchasing Card	
A & B PARTY TIME RENTAL	\$ 25,931
Supplier Payments over \$25,000	25,931
Payments to Suppliers < \$25,000	779,764
Total for Ministry of Finance - Corporate Purchasing Card	<u>\$ 805,695</u>
(Included in Ministry of Finance total of \$14,625,207)	

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Payment to Suppliers Reconciliation (unaudited) For the year ended March 31, 2012

Total of aggregate payments exceeding \$25,000 paid to suppliers	2,013,743,719.82
Consolidated total of payments of \$25,000 or less paid to suppliers	<u>5,126,635.38</u>
Total payments to suppliers	2,018,870,355
Reconciling items:	
Employee related payments	134,150,696
Non-cash operating expenses	156,627,939
Supplier payments not included in operating expenses	(6,161,782)
Third party remittances	(519,593,023)
Change in balance sheet accounts	10,315,240
Other	7,541,425
	<u>1,801,750,850</u>
Total per Statement of Revenue and Expenditure	
Cost of Goods Sold	1,510,743,796
Operating Expenses	<u>291,007,054</u>
	<u>1,801,750,850</u>
Variance	<u>\$ -</u>

Prepared under the Financial Information Regulation, Schedule 1, subsection 7(1)

Statement of Payments for Grants and Contributions

BC Liquor Distribution Branch paid \$35,254 to various municipalities for fees in lieu of business licenses.

Prepared under the Financial Information Regulation, Schedule 1, subsection 7(2)

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

Statement of Financial Information Approval

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Elaine Low, CA,

Acting Chief Financial Officer
September 28, 2012