



Discover, enjoy and share the evolving worlds of beverage alcohol



British Columbia  
Liquor Distribution Branch  
**2004/2005 Annual Report**



## **Vision**

That our customers have the opportunity to discover, enjoy and share the evolving worlds of beverage alcohol.

## **Mission**

To be a customer-focused, profitable retailer and wholesaler of beverage alcohol, dedicated to innovation, exemplary service, helpful product knowledge and social responsibility.

## **Values**

### **Exemplary Service**

We take pride in the quality of our work. We strive for excellence in serving customers and co-workers.

### **Public Safety and Social Responsibility**

We encourage and support the responsible use of beverage alcohol.

### **Integrity**

We take responsibility and are fully accountable for our actions, decisions and behaviour.

We are open, honest and fair.

### **Respect**

We treat all individuals with fairness, dignity and respect.

### **Teamwork**

We support one another to achieve corporate goals.

### **Innovation**

We encourage our people to find innovative and creative ways to improve our business.

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## Accountability Statement

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The 2004/05 British Columbia Liquor Distribution Branch Annual Report was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the contents of the report, including the selection of performance measures and how the results have been reported. The information presented reflects the actual performance of the Liquor Distribution Branch for the 12 months ended March 31, 2005. All significant decisions, events and identified risks, as of June 13, 2005, have been considered in preparing the report.

The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of our actual performance in relation to our Service Plan.



General Manager

## General Manager's Message to the Minister Responsible

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**The Honourable Rich Coleman, Minister of Public Safety and Solicitor General:**

I am pleased to report that the fiscal year 2004/05 ended with the British Columbia Liquor Distribution Branch (LDB) delivering a net income of \$779 million, compared to \$727 million the previous year. This is a \$52 million increase over the previous fiscal year—and \$19 million over our Service Plan target for the year.

Total sales for the year were \$2.1 billion, an increase of \$150 million over the previous year, and 4.2 per cent higher than our Service Plan target. 2004/05 saw increases in all product categories: 6.9 per cent in spirits, 11 per cent in wine, 6.7 per cent in beer and 5.2 per cent in refreshment beverages.

In 2004/05, the private retail system continued to expand. A significant factor in the growth of private retailing was the 2002 change in government policy allowing for a short-term lifting of the moratorium on licensee retail stores (LRSs), resulting in an increase in the number of LRSs in the province. During the year, the number of LRSs increased to 534 from 431, with a further 247 applications pending. As of March 31, 2005, there were a total of 1,140 government and private liquor stores in the province.

As part of our ongoing commitment to set the standard for excellence in the retailing of beverage alcohol, the LDB upgraded 28 government liquor stores and opened three new Signature Stores in Burnaby, North Surrey and Penticton.

Across the province, we continued to develop our public safety and social responsibility programs by providing responsible service training to all new employees, and implementing service refusal tracking. Our Support Dry Grad campaign, which is part of the LDB's commitment to promoting zero consumption for minors, raised an unprecedented \$245,800, thanks to the generosity of government liquor store customers throughout British Columbia.

We are also pleased to report improvements in service to our business partners through regulatory reform and innovation over the course of the year. In particular, the new Beverage Alcohol Product Registration and Listing System reduced the administrative burden for suppliers and agents. I would like to thank the many business partners who worked with us this year; we all work in a dynamic environment with changing needs and expectations, and we all contribute to the economy of British Columbia.

I also want to express my appreciation to all of our employees at the LDB. Despite the many changes in the workplace, they continue to focus on providing excellent customer service to all of our internal and external clients.

Finally, I wish to thank our retail and wholesale customers—we appreciate and value your business, and we will strive to find new ways to enhance customer service and satisfaction in all of your interactions with the LDB.



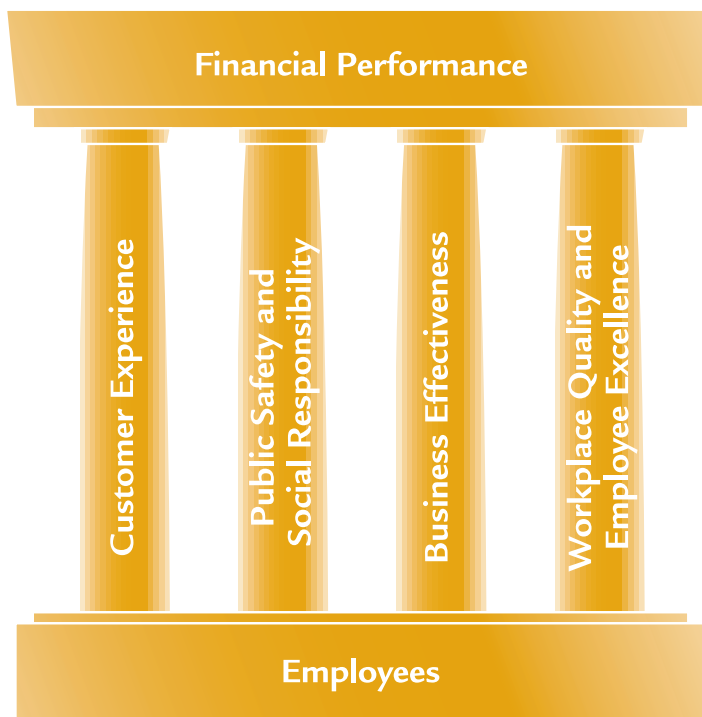
Jay Chambers  
*General Manager*  
June 13, 2005

## Organizational Overview

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### The Four Pillars Framework

The Liquor Distribution Branch organizes its strategic priorities and key objectives around the concept of four pillars. All four pillars support financial performance, and at the foundation are the LDB's dedicated employees.



### High-Level Goals

The five high-level goals are:

#### Goal 1: Financial Performance

Maximize income within the policy guidelines established by government.

#### Goal 2: Customer Experience

Set the standard for excellence in the retailing and wholesaling of beverage alcohol.

#### Goal 3: Public Safety and Social Responsibility

Encourage the responsible use of beverage alcohol.

#### Goal 4: Business Effectiveness

Manage business practices in a climate of change with a focus on operating efficiencies and value added.

#### Goal 5: Workplace Quality and Employee Excellence

Create a safe and supportive work environment that both attracts and results in skilled, motivated and enthusiastic employees.

## Governance

In British Columbia there are two branches that have responsibility for government's role in liquor retailing, distribution and regulation: the Liquor Control and Licensing Branch (LCLB) and the Liquor Distribution Branch (LDB). The minister responsible for the LDB is the Minister of Public Safety and Solicitor General. The LDB follows Crown Agencies Secretariat guidelines for budgets, service plans and annual reports.

The LCLB enforces the *Liquor Control and Licensing Act* and issues licences to:

- establishments that sell liquor by the glass for on-premise consumption (restaurants, pubs, bars, cabarets, etc.);
- licensee retail stores, for the sale of liquor for off-premise consumption; and
- manufacturers of liquor (wineries, breweries, distilleries) and Ubrews and Uvins operating in the province.

The LDB, under the authority of the *Liquor Distribution Act*, has the sole right to purchase beverage alcohol, both in and out of British Columbia, in accordance with the *Importation of Intoxicating Liquors Act* (Canada). The LDB is responsible for the importation, distribution and retailing of beverage alcohol in British Columbia and operates government liquor stores and distribution centres in the province. The LDB is also responsible for the appointment of private retail agency stores.

The *Liquor Distribution Act* specifies that the minister must appoint a general manager and that the general manager is responsible for administering the *Act*, including the general control, management and supervision of liquor stores, subject to the orders, directions and supervision of the minister. The *Act* further clarifies the powers of the general manager and delineates the administration of the LDB and the operation of its liquor stores.

## Business of the Liquor Distribution Branch

With a workforce of approximately 3,500 full and part-time employees, the LDB manages its retail and wholesale business through the operation of:

- 212 government liquor stores throughout the province;
- two distribution centres: one in Vancouver and one in Kamloops; and
- a head office facility in Vancouver.

The LDB oversees the private sector's operation of private retail outlets, such as licensee retail stores, rural agency stores, British Columbia beverage alcohol manufacturer stores, independent wine stores and duty-free stores.

There was tremendous growth in private retailing, due in large part to the 2002 change in government policy allowing for a short-term lifting of the moratorium on licensee retail stores (LRSs), resulting in an increase in the number of LRSs in the province. During the year, the number of LRSs increased to 534 from 431, with approximately 250 applications pending. As of March 31, 2005, there were a total of 1,140 government and private liquor stores in the province.

As of March 31, 2005, private sector retail establishments included:

- 534 LRSs;
- 231 rural agency stores (RASs);
- 116 on-site British Columbia manufacturer stores (wineries, breweries and distilleries with retail shops);
- 25 off-site British Columbia manufacturer stores (land-based wineries with off-site appointments, e.g., VQA wines);
- 12 independent wine stores; and
- 10 duty-free stores.

The LDB imports beverage alcohol from around the world and also buys from suppliers and manufacturers in British Columbia and other provinces. Licensed manufacturing sites in British Columbia include 110 wineries, 38 breweries and brew pubs, and six distilleries. The LDB buys products from more than 400 foreign and domestic manufacturers.



## LDB Customers and Stakeholders

Our customers are the public and wholesale businesses who buy our products. Wholesale customers, such as LRSs, RASs, restaurants and pubs, represent approximately 50 per cent of total liquor sales. The remaining 50 per cent are sales to the public through government liquor stores, which average approximately 780,000 customer transactions per week.

LDB stakeholders include the people of British Columbia, their elected officials, our employees, our suppliers, and groups that share our concern for public safety.

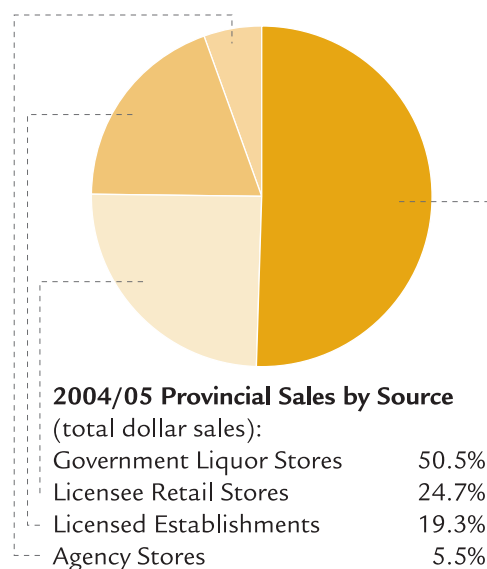
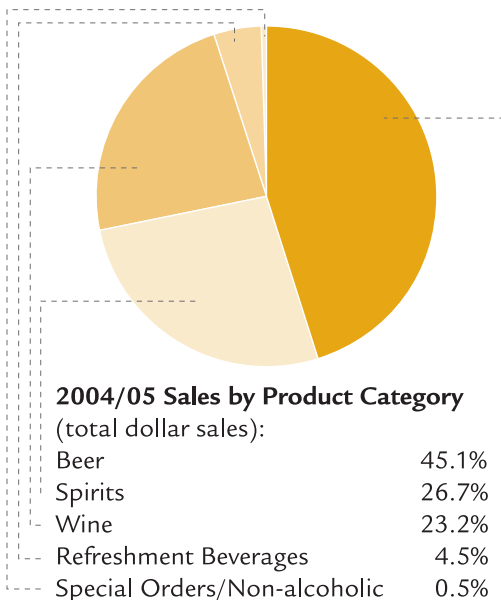
To serve the interests of our customers and stakeholders, we:

- deliver quality products and services;
- distribute products and services through a variety of liquor retail venues throughout British Columbia;
- manage the importation, transportation, warehousing and sale of liquor in a fair and impartial manner;
- promote the safe and responsible use of beverage alcohol; and
- implement policies to ensure LDB workplaces are safe and free of harassment or discrimination.

To fulfill our responsibilities to the government and people of British Columbia, we:

- maximize revenue to the government of British Columbia;
- develop and implement programs and services aimed at deterring the sale of beverage alcohol to persons who cannot provide valid proof of age, who appear intoxicated, or who are believed to be buying for either of these parties;
- ensure accountability of key business partners; and
- manage the LDB's business risks.

Our employees are trained to give exemplary service and to assist customers in finding the right products. We offer a broad selection of both international and domestic products. As well as striving to provide a high quality of service to our retail and wholesale customers, the LDB continually looks for ways to become more efficient in the management of our operating expenses. Along with our government liquor stores, a variety of private retail outlets help to ensure that the public is well served. The mixed public-private retail model not only gives our customers more choice, but also encourages the growth of the small business sector in British Columbia.





## 2004/05 Year in Review

### Goal 1: Financial Performance

Maximize income within the policy guidelines established by government.

#### Financial Performance Highlights

Sales of beverage alcohol continued on a record-breaking trend in fiscal 2004/05. Total sales for the year were \$2.1 billion, an increase of \$86 million or 4.2 per cent over Service Plan targets and \$150 million or 7.5 per cent over last year. Net income for fiscal 2004/05 was \$779 million, exceeding target by \$19 million. Net income—total revenue less total expenses—is the LDB's financial contribution to the province of British Columbia.

Sales in all product categories performed ahead of Service Plan targets. The record sales were a result of increases of 6.9 per cent in spirits, 11 per cent in wine, 6.7 per cent in beer and 5.2 per cent in refreshment beverages, compared to fiscal 2003/04. Contributing to this increase was the effect of a full year's mark-up increase made in February 2004.

An increase of 103 licensee retail stores (LRSs) contributed to a 27.7 per cent increase in sales by those outlets. Total liquor outlets in the province increased by 110 from 1,030 to 1,140.

#### Sales by Major Category (\$000s)

	2004/05	2003/04	2002/03	2001/02	2000/01	\$ Change vs Previous Year	% Change vs Previous Year
Domestic Spirits	354,337	336,258	323,847	306,006	306,052	18,079	5.4%
Imported Spirits	220,059	201,012	189,735	179,303	167,474	19,047	9.5%
<b>Total Spirits</b>	<b>574,396</b>	<b>537,270</b>	<b>513,582</b>	<b>485,309</b>	<b>473,526</b>	<b>37,126</b>	<b>6.9%</b>
Domestic Wine	191,119	176,614	168,091	158,145	146,643	14,505	8.2%
Imported Wine	307,079	272,267	248,566	232,719	220,669	34,812	12.8%
<b>Total Wine</b>	<b>498,198</b>	<b>448,881</b>	<b>416,657</b>	<b>390,864</b>	<b>367,312</b>	<b>49,317</b>	<b>11.0%</b>
Domestic Refreshment	52,167	52,850	53,810	56,152	61,568	(683)	-1.3%
Imported Refreshment	45,524	40,018	36,947	29,946	13,106	5,506	13.8%
<b>Total Refreshment</b>	<b>97,691</b>	<b>92,868</b>	<b>90,757</b>	<b>86,098</b>	<b>74,674</b>	<b>4,823</b>	<b>5.2%</b>
Domestic Beer	824,458	779,492	740,077	721,081	714,182	44,966	5.8%
Imported Beer	143,476	127,770	112,978	98,844	78,219	15,706	12.3%
<b>Total Beer</b>	<b>967,934</b>	<b>907,262</b>	<b>853,055</b>	<b>819,925</b>	<b>792,401</b>	<b>60,672</b>	<b>6.7%</b>
Miscellaneous/Special Orders	10,164	11,942	11,244	10,681	11,268	(1,778)	-14.9%
<b>Total Sales</b>	<b>2,148,383</b>	<b>1,998,223</b>	<b>1,885,295</b>	<b>1,792,877</b>	<b>1,719,181</b>	<b>150,160</b>	<b>7.5%</b>

## Sales by Major Category - Litres (000s)

	2004/05	2003/04	2002/03	2001/02	2000/01	\$ Change vs Previous Year	% Change vs Previous Year
Domestic Spirits	14,779	14,390	13,965	13,322	13,363	389	2.7%
Imported Spirits	7,638	7,207	6,821	6,454	6,047	431	6.0%
<b>Total Spirits</b>	<b>22,417</b>	<b>21,597</b>	<b>20,786</b>	<b>19,776</b>	<b>19,410</b>	<b>820</b>	<b>3.8%</b>
Domestic Wine	20,667	19,888	19,207	18,639	17,627	779	3.9%
Imported Wine	21,162	19,199	17,965	17,052	16,306	1,963	10.2%
<b>Total Wine</b>	<b>41,829</b>	<b>39,087</b>	<b>37,172</b>	<b>35,691</b>	<b>33,933</b>	<b>2,742</b>	<b>7.0%</b>
Domestic Refreshment	12,508	12,825	12,911	13,582	14,759	(317)	-2.5%
Imported Refreshment	7,652	7,000	6,613	5,282	2,163	652	9.3%
<b>Total Refreshment</b>	<b>20,160</b>	<b>19,825</b>	<b>19,524</b>	<b>18,864</b>	<b>16,922</b>	<b>335</b>	<b>1.7%</b>
Domestic Beer	236,108	237,148	231,805	233,949	239,506	(1,040)	-0.4%
Imported Beer	32,624	29,429	27,208	24,409	19,297	3,195	10.9%
<b>Total Beer</b>	<b>268,732</b>	<b>266,577</b>	<b>259,013</b>	<b>258,358</b>	<b>258,803</b>	<b>2,155</b>	<b>0.8%</b>
Miscellaneous/Special Orders	199	207	209	272	229	(8)	-3.9%
<b>Total Sales</b>	<b>353,337</b>	<b>347,293</b>	<b>336,704</b>	<b>332,961</b>	<b>329,297</b>	<b>6,044</b>	<b>1.7%</b>

## Product Trends

### Beer

In fiscal 2004/05, beer dollar sales increased by 6.7 per cent. Domestic beer sales grew by 5.8 per cent and import beer sales grew by 12.3 per cent. Government liquor store beer counter sales decreased slightly by 0.5 per cent, however this was more than offset by sales increases in LRSs. Sales in LRSs were up 19.4 per cent and sales in rural agency stores (RASs) were up 8.4 per cent.

For import beers, Belgium led all countries in growth with a dollar sales increase of 56 per cent. The Belgian brand Stella Artois led all import brands in growth with a 62 per cent increase. Mexican beer continued to be the top-selling import beer category and the Mexican brand Corona Extra continued to be the top-selling import beer.

### Spirits

Overall, spirit dollar sales increased by 6.9 per cent. In government liquor stores, spirit counter sales decreased by 2.1 per cent. This was offset by increased sales at LRSs of 49 per cent. Sales of spirits by licensed establishments increased by 9.1 per cent, an indicator of revitalized growth in this market.

Strong growth was seen in the “white spirit” categories, including vodka with a 8.6 per cent increase, gin increasing 7.9 per cent and white rum increasing 7.2 per cent. Other strong growth categories included the single malt scotch whisky category with growth of 10.5 per cent and tequila up 18.6 per cent. Canadian whisky had slower growth with a 3.6 per cent increase.

Smirnoff Vodka and Bacardi White Rum maintained their positions as the number one and two top-selling spirit brands.

### Wines

Wine had the greatest overall dollar growth of all the major categories with an 11 per cent increase. Although inventories of wine in the international marketplace are at a surplus, wine dollar sales in the province continued to outpace volume sales, an indicator of the continuing trend towards premiumization.

British Columbia Vintners Quality Alliance (VQA) wines lead the domestic wine category with a dollar sales increase of 21 per cent.

Australia continued its strong growth with a 31 per cent sales increase. Making a comeback from several years of decline, the American category showed growth of 14 per cent. California wines lead this category and have benefited from a more

favourable currency exchange rate and new brand entries. Other wine countries with strong growth included South Africa, with an increase of 35 per cent, and Argentina, increasing 41 per cent, with brands which emphasized exceptional value.

Yellow Tail Shiraz from Australia became the top-selling red wine with an impressive growth rate of 74 per cent. The Canadian wine Domaine D'or maintained its position as the top-selling white wine despite a 2.8 per cent decline in sales. The top-selling British Columbia VQA wine was Mission Hill Five Vineyards Cabernet Merlot.

### **Refreshment Beverages**

Refreshment beverage sales increased by 5.2 per cent. Overall, the two top-selling brands were Smirnoff Ice and Growers Extra Dry Apple Cider.

### **Goal 2: Customer Experience**

Set the standard for excellence in retailing and wholesaling of beverage alcohol.

#### **British Columbia VQA Wines**

British Columbia Vintners Quality Alliance (VQA) wines were featured prominently in all BC Liquor Stores. Fiscal 2004/05 included special promotions in July and December. In November, a special "Best of BC" collection of VQA wines was released in selected LDB stores—22 premium wines that were among the best vintages of the past few years. In 80 stores specially-trained staff called VQA Advocates were available to answer questions about VQA wines and the domestic industry.



#### **Vancouver Wine Festival**

In March 2005, for the 27th continuous year the LDB operated an on-site wine store during the Vancouver Playhouse International Wine Festival, one of the largest and most prestigious wine festivals in North America.

South Africa was the theme country for this year's festival, and the LDB offered special South African wines exclusive to the event. Sales totalled \$295,101 over three days—an increase of \$36,419 from last year.

#### **Feature Programs**

To support the marketing efforts of various wine-producing countries and regions, including Chile, Italy, South Africa, France, New Zealand, Australia, California and Washington, the LDB worked with consulates and trade organizations to feature programs highlighting the wines of these areas. Programs included store displays, trade events and in-store tastings. In August and September, BC Liquor Stores promoted the spirit category with "Shake it, Mix it, Stir it" campaigns featuring point-of-sale material and recipes.

#### **Website and Magazine**

During fiscal 2004/05, an average of 30,000 visitors per month accessed the LDB website at <http://www.bcliquorstores.com>. The site provides information about BC Liquor Store products, product use, store locations, corporate publications, and the liquor industry.

The LDB marketing magazine, Matters of Taste, was published four times during fiscal 2004/05 with approximately 210,000 copies distributed. The BC wine industry was prominently featured, along with product profiles, food and wine pairings, recipes and "best value" recommendations. Well-received by customers and the supplier community, Matters of Taste continues to be a strong marketing tool for BC Liquor Stores and the industry.

## Goal 3: Public Safety and Social Responsibility

Encourage the responsible use of beverage alcohol.

### Public Safety

In fiscal 2004/05, the LDB's responsible-use awareness program featured eight different in-store campaigns. Topics included Fetal Alcohol Spectrum Disorder (FASD) prevention, "Don't Buy For Minors," seasonal holiday safety reminders, and an anti-binge drinking campaign.

The LDB continued to ensure the responsible retailing of beverage alcohol by refusing sales to minors and intoxicated individuals, and customers who appear to be 25 or younger are asked for two pieces of ID, as is required by all liquor retailers and servers in the province. Employees received training in the best practices of responsible retailing as part of the violence prevention program.

In addition to its annual in-store campaign targeting FASD awareness, the LDB distributed 2,900 brochures and 300 posters, developed in consultation with the British Columbia FAS Society and endorsed by British Columbia doctors, nurses and midwives. These materials were available to customers, as well as to health care and community workers across the province and across the country.

As part of its commitment to public safety, the LDB offered the Safe Ride Home program, now in its eighth year of operation, at 16 beer and wine festivals throughout the province. A total of 5,425 transit tickets were distributed to help ensure that patrons of beer and wine festivals arrived home safely.

### Recycling

Provincial environmental regulations require most beverage products to be included in a stewardship program that collects and recycles used containers. There are three agencies that manage beverage container stewardship programs in British Columbia:

- Encorp Pacific, for non-alcoholic beverage containers;
- Brewers Distributor Limited, for refillable beer, cider, cooler bottles and cans; and
- the LDB, for wine and spirit containers and non-refillable beer, cider and cooler bottles.

During 2004/05, the LDB's Beverage Container Stewardship program recycled approximately 152 million containers, diverting 57 million kilograms of waste from British Columbia landfills. The program achieved a container recovery rate (the number of containers returned for recycling) of 90 per cent.

### Charitable Activities

#### Dry Grad Campaign

For the fifth year in a row, the LDB sponsored a Support Dry Grad Campaign, an in-store fundraiser to support alcohol-free graduation celebrations in British Columbia high schools. This year's campaign, held in February and March, was the best ever with \$245,856 collected province wide—an increase of \$50,000 over the 2004 campaign. The Surrey school district led the province with \$20,615 raised in its nine area liquor stores. The Richmond, Coquitlam, Vancouver and Delta school districts each raised more than \$15,000, and 10 other districts raised more than \$5,000 each.

#### Asia Earthquake and Tsunami Relief Fund

Government liquor stores across the province collected donations for three weeks in January to assist the Canadian Red Cross in its disaster recovery work in Asia. Customers contributed a total of \$28,680 during the fundraising campaign, all of which was contributed to the Canadian Red Cross Asia Earthquake and Tsunami Relief Fund.

#### Christmas Twin Bear Program

In the 16th year of the LDB's Twin Bear program, 22,000 bears were donated to children's hospitals, burn units, shelters and Christmas bureaus, thanks to the generosity of customers. Every November and December, BC Liquor Store customers are invited to buy twin teddy bears for \$10. One bear goes home with the customer, while the other is donated to a charity chosen by liquor store staff. Since the LDB began the program in 1989, more than 211,000 bears have been donated to British Columbia charities.

## **PECSF Campaign**

LDB staff continued to strongly support the Provincial Employees Community Services Fund (PECSF), a fundraising campaign supported voluntarily by staff throughout the provincial government. Funds are raised through employee contributions and special fundraising events, with 100 per cent of the money going to a variety of British Columbia charities.

This year's theme for the campaign was Rock 'n Roll, with "Break the Record" as the slogan. LDB partners in the supplier community were highly supportive, with three companies volunteering their promotional expertise and a percentage of product sales. Pernod Ricard contributed \$11,760, E&J Gallo Wines of Canada contributed \$7,500, and André's Wines Ltd. contributed \$7,000. The total amount raised was \$132,000.

## **24-Hour Relay for the Kids**

For the 10th year, LDB employees participated in the Vancouver 24-Hour Relay for the Kids, a fundraiser to help children with disabilities attend one of the Lions Society Easter Seal Camps. The LDB Beer-O-Crats running team, comprised of 40 runners, raised \$7,000. The event, supported entirely by volunteers, is held in cities across Canada and is the largest overnight fundraiser in North America. LDB volunteers set up and staffed a 24-hour station with enthusiastic employees and their families supplying runners, food, entertainment, moral support and financial contributions.

## **Goal 4: Business Effectiveness**

Manage business practices in a climate of change with a focus on operating efficiencies and value added.

### **Regulatory Reform**

Over a three-year period from June 2001 to June 2004, the LDB reduced regulatory requirements by 54 per cent. This was 21 per cent more than the target of 33 per cent set by the government for the first three years of regulatory reform.

Regulatory changes over the last fiscal year included the elimination of the \$0.10 minimum price change restriction, which simplifies administration and improves the ability of suppliers and agents to set selling prices. As well, the payment and reconciliation process for domestic beer delivered directly to retailers and licensees was streamlined.

### **Technology**

The LDB further increased its use of web-based technology and the Internet to deliver information and improve business functionality. A new web-based application system, the Beverage Alcohol Product Registration and Listing System, was implemented for agents and suppliers to register beverage alcohol products for sale in British Columbia. Users can complete and submit an online application anytime from anywhere in the world, as well as check its approval status. The new system also allows agents and suppliers to offer a wider assortment of products to private retailers of beverage alcohol and their customers.

In support of business effectiveness, the LDB developed and commenced the implementation of a strategy to replace its aging store equipment, as well as a strategy and three-year implementation plan to make systems more responsive and cost-effective.

Other business effectiveness highlights included: online connection improvements with the Agents Warehouse to share inventory data; upgrading of the pay and benefits system to improve user productivity, software vendor concurrency, and user functionality; and upgrading of the Point-of-Sale system debit/credit system in order to change to a new debit/credit service provider and reduce operational costs.

### **Sales Data Service**

In 2004/05, the Information and Privacy Office continued to improve access to market and sales data. The service was streamlined and expanded over the course of the year.

A weekly sales data service was launched and subscribers were able to download the data through the LDB's Vendor Website. Reports showing detailed sales by calendar date were introduced. Information, formerly provided on paper, was converted to electronic delivery.

The ready availability of data assisted suppliers and agents to identify areas where their products could be marketed most successfully to customers, thus contributing to the overall success of the LDB and its business partners.

### Loss Prevention

In 2004/05 Loss Prevention personnel continued to work with other provincial and federal government organizations to develop loss prevention strategies and monitor illegal activity pertaining to liquor products such as cross border smuggling and theft. Loss Prevention also conducted ongoing risk analysis of current and future store locations to ensure that security is maintained throughout the store network.

### Emergency Management

In 2004/05, the Emergency Management Committee continued to review and recommend appropriate emergency responses to ensure the LDB's key business functions and processes are recovered, maintained and restored in the event of an emergency or disaster. The semi-annual updating of head office and store business continuity plans also continued.



During the year, semi-annual testing of emergency procedures was conducted with practices of both earthquake and fire-drill procedures. Plans are in place to install additional technology at an alternate site in the upcoming two years to ensure a quick response to emergencies and minimal loss of service.

## Goal 5: Workplace Quality and Employee Excellence

Create a safe and supportive work environment that both attracts and results in skilled, motivated and enthusiastic employees.

### Workforce

The many changes in the workplace, including new shift schedules, the amalgamation and closure of some stores, early retirements and the establishment of new Signature Stores, challenged the LDB to realign its workforce and fill vacancies. This was accomplished by working with union representatives on the implementation of the collective agreement. It was a year of change that impacted the employees in both the liquor stores and distribution centres. Enthusiastic staff continued to focus on providing excellent service to retail and wholesale customers.

### Training and Development

The Training and Development section of Human Resources continued to support the LDB's high-level goals by providing management and leadership training through interactive management programs ranging from basic supervisory skills to teamwork, change management and harassment prevention skills.

The LDB, in partnership with the British Columbia Institute of Technology, piloted customer service programs in support of the renewed customer focus in the LDB Service Plan. This work will provide the foundation of an ongoing strategy that incorporates training in customer service, product knowledge and the retailing of beverage alcohol.

### Workplace Safety

Employee safety is always a high priority for the LDB, and Training and Development continued to ensure that necessary safety programs were accessible to staff. This included training in the safe operation of mobile equipment, training of first aid attendants in compliance with Workers' Compensation Board (WCB) regulations, and a self-study program in the safe handling of hazardous materials.

The Human Resources department continued its support to LDB stores, distribution centres and head office in the areas of rehabilitation, claims management and the development and distribution of information on health and lifestyle issues.

## Performance Targets and Results 2004/05

### Goal #1 **Financial Performance**

Maximize income within the policy guidelines established by government.

**Objective: 1. Achieve or exceed a net income contribution of \$760 million.**

Performance Measure	Target	Achievement
Total Sales	\$2.06 billion	<p><b>\$2.15 billion</b></p> <p><b>Target exceeded:</b> Sales are an important measure of financial performance as they directly impact our ability to achieve or exceed net income targets. Total sales in fiscal 04/05 exceeded target by \$86 million. Contributing factors included the markup increase in February 2004, and the strong provincial economy.</p> <p>Previous years: 03/04 - \$2.00 billion 02/03 - \$1.89 billion</p>
Cost of Sales	\$989 million	<p><b>\$1.05 billion</b></p> <p>The cost of sales increase as sales increase. Approximately \$20 million of the \$60 million variance to budget is due to volume increases and \$40 million is due to increased product prices.</p> <p>Previous years: 03/04 - \$992 million 02/03 - \$926 million</p>
Operating Expenses	\$236 million	<p><b>\$240 million</b></p> <p>Managing the operating expenses of the LDB is important to achieving the net income targets and is constantly monitored and analyzed. Operating expenses were \$4 million over target. A number of favourable variance, employment expenses and building and administration expenses helped offset some additional costs incurred. Additional expenses included the reintroduction of credit card usage for wholesale customers, beverage container fee increases not being implemented, and Liquor Reform Project expenses.</p> <p>Previous years: 03/04 - \$215 million 02/03 - \$255 million</p>
Net Income	\$760 million	<p><b>\$779 million</b></p> <p><b>Target exceeded:</b> Net income is \$19 million ahead of target. This measure of financial performance, total revenue less total expenses, is the LDB's financial contribution to the province of British Columbia. Increased sales was the largest contributing factor in exceeding the target.</p> <p>Previous years: 03/04 - \$727 million 02/03 - \$654 million</p>

Source: LDB PeopleSoft Financial Systems

## Goal #2 Customer Experience

Set the standard for excellence in retailing and wholesaling of beverage alcohol.

### Objective 1. Improve customer satisfaction levels.

Performance Measure	Target	Achievement
Signature retail stores opened in key markets	3	<b>Target achieved:</b> Three Signature Stores were opened in 2004/05. The HighGate Signature Store in Burnaby was opened in November 2004, and Signature Stores in Penticton and at Nordel Crossing in North Surrey were opened in March 2005.
Stores upgraded	15	<b>28 stores upgraded</b> <b>Target exceeded:</b> Two major upgrades were completed at Commercial Drive and at Thurlow and Alberni. The target was exceeded because more minor upgrades were required than originally anticipated. Minor upgrades included new flooring, painting, lighting changes, new canopies and signage, new entrance doors, and upgraded millwork and bollards.  Previous years: 03/04 - 17 02/03 - 3
Customer access to product knowledge enhanced by adding:		
· Product consultants	25	<b>Target partially achieved:</b> As of March 2005, the LDB is in the selection process for at least 25 product consultants. The consultants are expected to be in place in June 2005.
· Information kiosks	25	<b>Target partially achieved:</b> Two information kiosk prototypes have been developed and are being tested in 12 LDB stores. Further adjustments to the prototypes will be made to ensure suitability for LDB retail stores prior to further placement.
· Online information terminals	10	<b>Target partially achieved:</b> More research has been required to ensure a top-quality product that is fully secured and meets the needs of LDB customers. A request for information in February 2005 has provided sufficient information to enable the publication of a request for proposal in June 2005.



## Goal #2 Customer Experience *continued*

Performance Measure	Target	Achievement
Attitudes and consumer experience evaluated through consumer research and a mystery shopper program	Establish baseline	<p><b>Target achieved:</b></p> <p><b>Wholesale Customer Survey</b> Wholesale customers (approximately 2,000) purchasing more than \$10,000 of product annually from the LDB were invited to participate in the Wholesale Customer Survey. There were 275 respondents, representing a response rate of 14%. Based on the responses, the LDB's overall performance rating was 84%. For LRSs, the LDB met or exceeded the expectations of 78% of the respondents. The rating by other wholesale customers (pubs, restaurants, wine stores etc.) ranged from 85% to 88%. These ratings reflect both the LDB's performance and the high service expectations of the wholesale customers. The LDB will be using the survey results to focus on areas for service improvement.</p> <p><b>Retail Customer Survey</b> A retail Customer Satisfaction Survey was conducted in six LDB Signature Stores. Approximately 300 surveys (intercept interviews) in each of the six stores were completed. Criteria included: staff courtesy, staff helpfulness, staff knowledge, product information on shelves, ease of finding product, having the product the customer wants in stock, variety and selection of products, the store as a comfortable place to shop, and speed of checkout. Overall 89% of customers rated the stores' services as excellent or very good. The survey results have been provided to store management to assist them in further improving customer service.</p> <p><b>Mystery Shopper Program</b> The ongoing mystery shopper program is conducted in partnership with the Liquor Control and Licensing Branch. The 04/05 baseline for checking identification of minors was established at 82%, with a goal of 100%. Other customer service measures are also included in this program.</p>
Wholesale and distribution system process and efficiency improvements	TBD	<p><b>Newly established target exceeded:</b> A Distribution department audit was conducted to identify opportunities and improvements. One of the recommendations was that the Vancouver and Kamloops Distribution Centres increase their direct delivery service to private liquor stores. In October 2004, a target of 90 stores was established for 04/05. This target was exceeded with the implementation of direct delivery for 97 private liquor stores. Further opportunities for improvement will be explored in 05/06.</p>
Service standards developed such as: · Order cycle time · Order fill rate · Order accuracy	Establish action plan and implement through September 2004	<p><b>Target deferred (for order cycle time and fill rate):</b> A review of Distribution activities completed in July 2004 recommended measurements be implemented for order cycle time and fill rate. Both recommendations require system enhancements that will be completed in 05/06. Subsequently, measurements for these areas will be developed.</p> <p><b>Target achieved (for order accuracy):</b> Target established at 98.5%. A process change in product scanning implemented in the order assembly area resulted in improved accuracy of orders going out to GLSs and LRSs, thus achieving the 98.5% target.</p>

### Goal #3 Public Safety and Social Responsibility

Encourage the responsible use of beverage alcohol.

#### Objective 1. Sell beverage alcohol responsibly.

Performance Measure	Target	Achievement
Staff training (for new hires) in responsible service	100%	<b>Target achieved:</b> Training for all new store employees was revised to emphasize their role in providing responsible service and implementing the two-ID requirement identification (for customers who appear to be under the age of 25). This change was reinforced through train-the-trainer sessions with all new employee orientation trainers.
Service refusal tracking	Implement refusal tracking and establish benchmark	<b>Target achieved:</b> Service refusal tracking was implemented in April 2004. The benchmark for checking for two pieces of identification for customers who appear to be under the age of 25 was established at 82%. The target for 05/06 is 100%.

#### Objective 2. Promote the responsible use of beverage alcohol.

Performance Measure	Target	Achievement
Customer support for the LDB's role in promoting responsible use of beverage alcohol	Conduct survey and establish benchmark	<b>Target partially achieved:</b> Customer research was conducted in January and February 2005. The most prominent customer social responsibility awareness centred on Alcohol and Safety, with Dry Grad and Alcohol and Pregnancy slightly less prominent. Alcohol and Safety campaigns are ongoing in LDB stores while Dry Grad and Alcohol and Pregnancy are specific annual campaigns.
Customer awareness of LDB's social responsibility programs.	85%	<b>Target not met:</b> The results of the 04/05 customer research indicated a 70% awareness of social responsibility programs. The LDB will continue to build on customer awareness of social responsibility programs in government liquor stores.

## Goal #4 Business Effectiveness

Manage business practices in a climate of change with a focus on operating efficiencies and value added.

### Objective 1. Operate the business in the most effective and efficient manner possible.

Performance Measure	Target	Achievement
GLS Operating Cost Ratio (including stores 100 and 231)	10.9%	<p><b>10.5%</b></p> <p><b>Target exceeded:</b> As per the Collective Agreement, the LDB implemented the new hours of work provisions in August 2004, resulting in improved operating efficiencies.</p> <p>Previous years: 03/04 - 11.2% 02/03 - 11.5%</p>
GLS Sales Per Square Foot (excluding licensee stores 100 and 231)	\$1,182	<p><b>\$1,196</b></p> <p><b>Target exceeded:</b> The mark-up increase in February 2004, as well as the strong provincial economy, contributed to the exceeding of this budget.</p> <p>Previous years: 03/04 - \$1,118 02/03 - \$1,070</p>
Distribution Labour Cost Per Case	Less than \$1.836	<p><b>\$1.66 per case</b></p> <p><b>Target exceeded:</b> This was accomplished through changes in hours of work and improvements to productivity.</p> <p>Previous years: 03/04 - \$1.86 02/03 - \$1.81</p>
Inventory Turns – LDB		
· Retail	17.5	<p><b>15.8</b></p> <p><b>Target not met:</b> This was the result of reducing the number of large wholesale customers who were supplied from government liquor stores, by supplying these customers directly from the LDB distribution centres.</p> <p>Previous years: 03/04 - 16.1 02/03 - 17.2</p>
· Distribution	21.0	<p><b>22.0</b></p> <p><b>Target exceeded:</b> This was the result of increasing the number of direct shipments to large wholesale customers from LDB distribution centres, instead of supplying these customers from government liquor stores.</p> <p>Previous years: 03/04 - 21.3 02/03 - 20.3</p>

Sources: LDB Store Contribution Report, and  
LDB Data Warehouse

## Goal #5 Workplace Quality and Employee Excellence

Create a safe and supportive work environment that both attracts and results in skilled, motivated and enthusiastic employees.

### Objective 1. Attract, develop and retain highly qualified and motivated people.

Performance Measure	Target	Achievement
Employee satisfaction and understanding of vision mission and values	Conduct initial survey and establish benchmarks	<b>Target partially achieved:</b> Draft survey completed and distribution to employees set for June 2005. Benchmarks to be established following publication of results.
Workforce planning process, including a succession plan	Completed by June 2004	<b>Target partially achieved:</b> Key and critical positions have been identified. Delay in completion of plan occurred due to the decision to review all existing job descriptions and determine the requisite skills that would meet the LDB's new business processes. Immediate staffing issues took priority over long-term management planning.
STIIP and WCB claim costs	4.6% of payroll or less	<p><b>2.93%</b></p> <p><b>Target exceeded:</b> Short Term Illness and Injury Plan (STIIP) costs were 2.45% of payroll (target 4%) and Workers' Compensation Board injury claims were .48% (target .6%).</p> <p>The reduction in the absenteeism costs was due to the work of the Leaves Review Committee and Safety Committee, along with increased emphasis on ergonomics in the workplace and rehabilitation assistance to employees.</p> <p>Previous years: 03/04 - 3.48 02/03 - 3.14</p>

#### Achievement of Targets:

<b>Exceeded:</b>	achievement exceeded established target
<b>Achieved:</b>	target was met
<b>Partially achieved:</b>	progress toward target was accomplished during the year
<b>Not met:</b>	results were lower than established target
<b>Deferred:</b>	target delayed due to unforeseen circumstances

## Benchmarks for Fiscal 2003/04

	Per capita net income of beverage alcohol	GLS operating expenses as a percentage of store sales	Sales per square foot
British Columbia	171	11.2	\$1,118
Manitoba	152	9.0	\$799
Ontario	124	10.4	\$897
Alberta	174	N/A	N/A

*Note: Sales used in the B.C. calculations are gross sales before commission and discounts. Other jurisdictions' revenue is not split out between gross and net.*

## Performance Targets 2005/06

*Note: The five high-level goals were modified slightly for the LDB's Service Plan for Fiscal Years 2005/06 – 2007/08. Each year the three-year Service Plan is reviewed and revised as necessary to align with the current environment. Overall the LDB has reduced the number of measures included as Service Plan measures, in order to focus on those of greatest strategic importance. This is consistent with the direction being taken by other ministries and Crown corporations, and with the recommendations that have been made by the Auditor General.*

### Goal 1: Financial Performance

Maximize net income within the policy guidelines established by government.

#### Objectives

1. Achieve or exceed net income targets

#### Strategies

1. Grow sales and achieve operating efficiencies

PERFORMANCE MEASURES	ACTUAL		TARGETS	
	Fiscal 2004/05	Fiscal 2005/06	Fiscal 2006/07	Fiscal 2007/08
In millions \$				
Total sales	2,148.4	2,204.7	2,263.2	2,323.6
Gross margin	1,008.5	1,022.3	1,041.9	1,062.1
Operating expenses	240.0	246.3	251.4	256.7
Net income	778.6	779.0	793.6	808.4
Total LDB expenses as a percentage of total LDB sales	11.2	11.2	11.1	11.0

## Goal 2: Workplace Quality and Employee Excellence

Build a customer-focused, high performance work environment that results in greater employee involvement, development, innovation and creativity.

### Objectives

1. Continue to develop a customer-focused workforce that is knowledgeable, skilled, motivated and enthusiastic

### Strategies

1. Enhance staff skills through management development and employee training programs
2. Employ a competency-based recruitment process
3. Develop succession plans for key positions
4. Provide a safe, healthy and harassment-free workplace
5. Promote a retail-oriented culture through an enhanced performance management and recognition process

PERFORMANCE MEASURES	ACTUAL		TARGETS	
	Fiscal 2004/05	Fiscal 2005/06	Fiscal 2006/07	Fiscal 2007/08
Employee satisfaction and engagement	N/A	90%	90%	90%

### Goal 3: Customer Experience

Set the standard for excellence in the retailing of beverage alcohol.

#### Objectives

1. Enhance the shopping experience for LDB retail customers

#### Strategies

1. Revitalize the store network
2. Provide enhanced customer services
3. Improve customer access to British Columbia VQA wines

PERFORMANCE MEASURES	ACTUAL		TARGETS	
	Fiscal 2004/05	Fiscal 2005/06	Fiscal 2006/07	Fiscal 2007/08
Total number of additional Signature Stores	3	11	8	6
Average retail customer transaction value	\$26.70	\$26.80	\$27.60	\$28.40
Increased dollar sales of VQA wines through LDB retail stores	+5%	+20%	+20%	+20%
Retail customer satisfaction	89%	90%	90%	90%

#### Goal 4: Business Effectiveness

Improve operating efficiencies and maximize wholesale customer satisfaction in a climate of continuous change in a public-private model.

#### Objectives

1. Increase wholesale customer satisfaction
2. Improve cost efficiencies

#### Strategies

1. Increase the use of available and emerging technology
2. Maximize the potential efficiencies available through improved distribution operations
3. Provide enhanced wholesale customer services

PERFORMANCE MEASURES	ACTUAL		TARGETS	
	Fiscal 2004/05	Fiscal 2005/06	Fiscal 2006/07	Fiscal 2007/08
Wholesale customer satisfaction	84%	90%	90%	90%
Distribution centre accuracy rate	98.5%	99.0%	99.5%	100%
Distribution centre labour cost per case shipped	\$1.66	\$1.59	\$1.51	\$1.45
Number of LRSs receiving direct shipment	97	200	TBD	TBD
LDB stores operating costs as a percentage of sales	11.4%	10.9%	10.9%	10.9%
LDB store sales per square foot	\$1,309*	\$1,443	\$1,489	\$1,534

\* Sales per square foot includes licensee stores 100 and 231.



## Goal 5: Public Safety and Social Responsibility

Encourage the responsible use of beverage alcohol.

### Objectives

1. No sales to minors or intoxicated persons
2. Increased awareness and promotion of the responsible use of beverage alcohol

### Strategies

1. Increased staff education and enforcement of 2-ID program requirements
2. Develop co-operative programs with beverage alcohol suppliers and other stakeholders

PERFORMANCE MEASURES	ACTUAL		TARGETS	
	Fiscal 2004/05	Fiscal 2005/06	Fiscal 2006/07	Fiscal 2007/08
Staff compliance with 2-ID checking policy	82%	100%	100%	100%
Customer awareness and support of LDB's social responsibility program	70%	90%	90%	90%
Implementation of co-operative responsible-use beverage alcohol programs	3	4	4	4

## Alignment with Government's Strategic Plan

As with all branches and agencies of government, the LDB is aligned to support and implement the government's strategic plan. The LDB will respond in the following ways to government's goals and applicable objectives:

### Objectives

#### Liquor Distribution Branch Response

##### Prosperous Economy

The branch is a key player in the provincial economy, generating net income for government and creating opportunities in the beverage alcohol industry.

##### Employment Opportunities

The branch employs approximately 3,500 full and part-time employees throughout the province and supports the expanding private sector involvement in the beverage alcohol industry.

##### Affordable and Fiscally Responsible Government

The branch will be fiscally responsible through prudent expense management and business effectiveness.

##### Healthy/Safe Communities

The branch will promote health and safety through its responsible use program.

## Key Strategic Issues 2005/06

### **The Changing Retail Environment**

The beverage alcohol retailing environment in British Columbia has changed substantially over the past few years, moving to an expanded mixed retail model and introducing more choice to the consumer. Licensee retail stores (LRSs) are now able to sell spirits, detach a store from its primary business, increase store size, and have added flexibility in regards to price and brand advertising.

### **LDB as a Wholesaler**

The LDB will improve services to its wholesale customers by working with them to provide greater efficiencies and build a closer business relationship. The LDB's wholesale customers include: LRSs, rural agency stores, restaurants, pubs, lounges, private wine stores, and duty-free operators.

### **LDB as a Retailer**

The LDB will continue to improve efficiencies and services to customers by offering an enhanced shopping experience, operation and administration improvements, and store network consolidation.

### **LDB as a Distributor**

The LDB is making changes to its distribution system that will increase productivity and improve services to wholesale customers and LDB retail stores.

### **Employees**

The LDB has a very low turnover rate, resulting in an experienced group of long-term employees. As these employees move closer to retirement, it is essential that the LDB has succession plans in place.

### **Technology**

Technology has a major impact on the LDB's ability to provide efficient and effective service to its retail and wholesale customers. The LDB must continue to invest in upgrading and integrating its systems.

### **Public Safety and Social Responsibility**

The LDB's role as a socially responsible retailer of beverage alcohol extends beyond addressing the requirements of current legislation. The LDB plays an active role in promoting the responsible use of beverage alcohol by supporting a number of initiatives throughout the network of government liquor stores.

### **British Columbia Wine Industry**

The LDB, through its retail stores, is committed to expanding the profile and sale of British Columbia wines. The LDB will continue to partner with the provincial wine industry in the development of programs that showcase B.C. wines.

### **2010 Olympic and Paralympic Winter Games**

The LDB will be making plans to welcome visitors for the 2010 Winter Games. In the interim, the LDB has begun to support the marketing efforts of those beverage alcohol suppliers who have initiated specific Olympic-related promotional programs.

# Financial Report

## Management Discussion and Analysis

Fiscal 2004/05 was the LDB's 13th consecutive year of sales growth, with an average annual increase of five per cent.

Net income was \$779 million, an increase of \$52 million over the previous year and \$19 million over Service Plan target. Gross sales were \$2.15 billion, an increase of \$150 million over last year and \$86 million over Service Plan target.

## Results of Operations

Key Indices

(all \$ figures in \$000)

	<b>Actual 2004/05</b>	<b>Budget 2004/05</b>	<b>Actual 2003/04</b>	<b>Change vs. 2003/04 Actual</b>	<b>Change vs. 2004/05 Budget</b>
Gross Sales	2,148,383	2,062,013	1,998,223	150,160	86,370
Net Income	778,594	759,614	726,710	51,884	18,980
Capital Expenditures	9,808	12,000	1,265	8,543	(2,192)
Gross Margin %	46.94%	48.97%	46.87%	0.07%	-2.03%
Operating Income to Sales	35.77%	36.69%	36.10%	-0.33%	-0.92%
Operating Expenses to Sales	11.17%	11.45%	10.77%	0.40%	-0.28%
Net Income to Sales	36.24%	36.84%	36.37%	-0.13%	-0.60%
Inventory Turnover	15.2 times	14.3 times	14.8 times	0.4 times	0.9 times
Counter Customer Count ('000s)	40,636	N/A	42,741	(2,105)	N/A
Average Transaction \$ Value	26.70	N/A	25.25	1.45	N/A
FTE Count	2,664	2,746	2,731	(67)	(82)

Data source: LDB PeopleSoft Financial System

Gross dollar sales grew in all categories except Special Orders, while consumption (volume) increased in all categories except draught beer and special orders. The mark-up increase implemented in February 2004 accounted for approximately \$59 million of the \$150 million increase. The strong provincial economy was also a contributing factor to the sales increases.

Private sector stores such as LRSs and agency stores purchased their product from the LDB at discounts ranging from 10 to 30 per cent. During the year, the share of the liquor market accounted for by these outlets increased from 26.3 per cent to 30.2 per cent. The effect of the increase in discounts reduced LDB gross margin by approximately 1.3 per cent. The negative impact on gross margin was, however, offset by the mark-up increase in February 2004.

Capital expenditures increased to \$9.8 million from \$1.3 million in the previous year, when many programs were delayed due to government's review of the liquor system. Most capital expenditures were related to enhancing the store system and upgrading information systems.

During fiscal 2004/05, the customer count at government liquor stores (GLSs) declined by 4.9 per cent or 2.1 million customers due to the increased number of private stores. The average retail customer transaction value at GLSs, however, increased to \$26.70 from \$25.25. This can be attributed to customers purchasing higher-priced product and the February 2004 mark-up increase.

Operating expenses were 11.2 per cent of sales for the fiscal year, which is 0.8 per cent less than last year after adjusting for the reversal of the restructuring costs of \$23.5 million in fiscal 2003/04. The reduction in operating expense per cent is attributable to: the implementation of the new employment contract provision in stores and distribution centres; the shift in market share to private stores, increased direct distribution to private stores and the February 2004 mark-up increase.

LDB net income as a percentage of sales decreased to 36.2 per cent from 36.4 per cent in the previous year. Factors which contributed to the reduction included an increase in discounts paid to private retail stores and the 2003/04 reversal of accruals that had previously been set up to account for the LDB's anticipated costs of exiting its retailing and distribution operators. These factors were largely offset by LDB's mark-up increase of February 2004.

Overall inventory turns for the LDB improved by 0.4, from 14.8 times to 15.2 times. This indicates that the average number of days the LDB holds inventory went from 24.7 days to 24 days. Inventory turns at the LDB's distribution centres went from 21.3 to 21.8 turns, while at the government liquor stores it went from 16.1 to 15.8 turns. This reflects the decision to increase direct shipments from LDB distribution centres to large wholesale customers instead of supplying these customers from government liquor stores.

## Growth in Sales

(\$000s)

Product	Actual 2004/05	Budget 2004/05	Actual 2003/04	\$ Change vs. 2003/04 Actual	\$ Change vs. 2004/05 Budget
Spirits	574,396	558,359	537,270	37,126	16,037
Wine	498,198	461,722	448,881	49,317	36,476
Packaged Beer	848,051	814,300	790,820	57,231	33,751
Draught Beer	119,883	119,240	116,442	3,441	643
Cider/Coolers	97,691	96,624	92,868	4,823	1,067
Special Orders/Non-alcoholic	10,164	11,768	11,942	(1,778)	(1,604)
	2,148,383	2,062,013	1,998,223	150,160	86,370

## Growth in Sales

Litres (000s)

Product	Actual 2004/05	Budget 2004/05	Actual 2003/04	\$ Change vs. 2003/04 Actual	\$ Change vs. 2004/05 Budget
Spirits	22,417	21,897	21,597	820	520
Wine	41,829	39,409	39,087	2,742	2,420
Packaged Beer	223,061	222,360	219,678	3,383	701
Draught Beer	45,671	47,000	46,899	(1,228)	(1,329)
Cider/Coolers	20,160	20,062	19,825	335	98
Special Orders/Non-alcoholic	199	210	207	(8)	(11)
	353,337	350,938	347,293	6,044	2,399

Data source: LDB Data Warehouse

Gross sales of \$2.1 billion represent an increase of 7.5 per cent over last year's \$2 billion, and an increase of 4.2 per cent over budget. All major product categories experienced growth in dollar sales with draught beer declining by 2.6 per cent in volume sales. The largest percentage increase was in the wine category at 11 per cent or \$49.3 million over last year. Sales in the spirits

category increased by \$37 million or 6.9 per cent over last year. Packaged beer recorded the largest dollar sales increase of \$57.2 million or 7.2 per cent over last year, with domestic beer contributing \$42 million of that amount. Cider and coolers were up 5.2 per cent due to stronger sales in the summer months and the introduction of new products to the marketplace.

Volume sales increased in all major categories except draught beer. The wine category had the largest percentage volume increase at seven per cent over the previous year.

Overall, imported products had a larger percentage increase in both sales and volume. Sales growth in dollars was 11.6 per cent for imported products and 5.8 per cent for domestic products. Growth in volume was 10 per cent for imported products and 0.2 per cent for domestic products. Domestic beer had a 0.4 per cent decrease and due to its large volumes significantly contributed to the overall volume decrease for domestic products.

## Key Financial and Operating Statistics

For the five years ended March 31, 2005

(all dollar figures in \$000)

	Actual 2004/05	Budget 2004/05	Actual 2003/04	Actual 2002/03	Actual 2001/02	Actual 2000/01
Sales	2,148,383	2,062,013	1,998,223	1,885,295	1,792,877	1,719,182
Cost of Sales	1,048,602	1,047,425	992,225	925,548	882,748	846,662
Gross Margin	1,008,494	1,009,671	936,535	904,330	863,270	827,561
Gross Margin (%)	46.9%	49.0%	46.9%	48.0%	48.2%	48.1%
Operating Expenses	240,045	236,126	215,276	254,908	231,859	199,028
Operating Expenses to Sales (%)	11.2%	11.5%	10.8%	13.5%	12.9%	11.6%
Operating Income	768,449	756,614	721,259	649,422	631,411	628,533
Operating Income to sales (%)	35.8%	36.7%	36.1%	34.5%	35.2%	36.6%
Net Income	778,594	759,614	726,710	654,217	636,673	642,426
Net Income to sales (%)	36.2%	36.8%	36.4%	34.7%	35.5%	37.4%
Inventory Turnover	15.2	14.3	14.8	14.5	14.5	13.9

Data source: LDB PeopleSoft Financial System

## Provincial Sales by Source

For the five years ended March 31, 2005

(as a percentage of total dollar sales)

	2004/05	2003/04	2002/03	2001/02	2000/01
<b>Counter Sales</b>					
Government Liquor Stores (%)	50.5	54.0	56.4	58.5	57.6
Licensee Retail Stores (%)	24.7	20.8	18.2	15.7	15.9
Agency Stores (%)	5.5	5.5	4.5	4.1	4.2
<b>Total Counter Sales (%)</b>	<b>80.7</b>	<b>80.3</b>	<b>79.1</b>	<b>78.3</b>	<b>77.7</b>
Licensed Establishments	19.3	19.7	20.9	21.7	22.3
<b>Total Sales (%)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Data source: LDB PLS System

## Market Share of Counter Sales

For the five years ended March 31, 2005

(as a percentage of total dollar sales)

	2004/05	2003/04	2002/03	2001/02	2000/01
<b>Counter Sales</b>					
Government Liquor Stores (%)	62.5	67.2	71.3	74.8	74.2
Licensee Retail Stores (%)	30.6	25.9	23.0	20.0	20.4
Agency Stores (%)	6.9	6.9	5.7	5.2	5.4
<b>Total Counter Sales Market (%)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Data source: LDB PeopleSoft Financial System

## Remittances to Government Agencies

For the five years ended March 31, 2005

(\$000s)

	2004/05	2003/04	2002/03	2001/02	2000/01
<b>FEDERAL GOVERNMENT</b>					
Custom Duties and Excise Tax	126,905	125,811	108,877	103,718	98,345
Goods and Services Tax	145,201	135,958	129,088	124,131	113,435
Total	272,106	261,769	237,965	227,849	211,780
<b>PROVINCIAL GOVERNMENT</b>					
LDB Net Income	778,954	726,710	654,217	636,673	642,425
Social Services Tax	108,199	108,089	105,100	105,044	99,175
Total	887,153	834,799	759,317	741,717	741,600
<b>MUNICIPAL GOVERNMENT</b>					
Property Taxes	4,985	4,702	4,827	4,716	4,575
<b>Total Remittances</b>	<b>1,164,244</b>	<b>1,101,270</b>	<b>1,002,109</b>	<b>974,282</b>	<b>957,955</b>

*Note: The above amounts do not include taxes paid directly by external parties, namely: excise duty and taxes paid by domestic brewers, wineries for direct distributed products, and distilleries; and goods and services tax and social services tax collected by licensees, agency stores and other licensed establishments. Prior to July 2003, excise duty on all domestic wine was directly paid by the wineries.*

Source: LDB Accounts Payable Remittance files

## Future Outlook

### Management Future Outlook

Sales in spirits, wine and packaged beer are budgeted to increase during fiscal 2005/06. Wine, spirits and imported beer are expected to maintain their strong performance. Over the course of the year, the LDB will accelerate the expansion of the Signature Store program, with the goal of increased efficiency and more effective cost control.

The expansion of the LRS system is expected to continue over the next year, resulting in a growth in market share. Operating expenses as a percentage of sales are budgeted at 11.2 per cent.

The realignment of work schedules in GLSs as a result of contract negotiations will be in full effect in the coming fiscal year and will contribute to reduced operating costs.

As the LDB expands the Signature Store program and re-invests in store renovations, system enhancement and improved customer service, annual capital expenditures will increase to \$30 million from \$10 million in the past fiscal year.

### Financial Outlook

Projected Income, Expenses, Capital Requirements and FTEs  
(all dollar figures in \$000)

	<b>Budget 2005/06</b>	<b>Budget 2006/07</b>	<b>Budget 2007/08</b>
Total Sales	2,204,745	2,263,175	2,323,619
Commissions and Discounts	94,804	97,317	99,916
Cost of Sales	1,087,632	1,123,914	1,161,582
Operating Expenses	246,299	251,375	256,673
Other Income	3,000	3,000	3,000
Net Income	779,010	793,569	808,448
Capital Requirements	30,322	21,000	13,000
FTEs	2,788	2,848	2,896

### 2005/06 Risk Factors and Sensitivities

Liquor is a discretionary consumer product and an unexpected downturn in the economy would negatively affect LDB sales projections.

Liquor sales are negatively impacted by poor weather, particularly in the summer and holiday shopping period.

Liquor is a high-value product and is susceptible to illicit activity such as cross-border smuggling and theft.

Shifts in sales from LDB stores to private stores increase the cost of discounts applied to private store purchases.

### Mitigating Strategy

The LDB will carefully monitor sales and will make necessary adjustments to operating expenses in order to achieve net income targets.

The LDB will carefully monitor sales and will make necessary adjustments to operating expenses in order to achieve net income targets.

The LDB will work with appropriate provincial and federal enforcement agencies to identify and address illicit activity.

The LDB will carefully monitor discount costs and will make necessary adjustments to operating expenses if discount costs are negatively impacting the net income forecasts.


Source: LDB Service Plan for Fiscal Years 2005/06 – 2007/08

## Management's Responsibility for Financial Reporting

The financial statements of the British Columbia Liquor Distribution Branch have been prepared by management in accordance with Canadian generally accepted accounting principles. 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 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  
*Executive Director, Finance*

Vancouver, British Columbia

May 25, 2005



## Report of the Auditor General of British Columbia

*To the Minister of Public Safety and Solicitor General,  
Province of British Columbia*

I have audited the balance sheet of the *British Columbia Liquor Distribution Branch* as at March 31, 2005 and the statements of operations, advance due from Province of British Columbia and cash flows for the year then ended. These financial statements are the responsibility of the Branch's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *British Columbia Liquor Distribution Branch* as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Wayne Strelieff, FCA  
*Auditor General*

*Victoria, British Columbia  
May 25, 2005*

## Audited Financial Statements

### BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH BALANCE SHEET

(in \$000s)

March 31,	2005	2004
<b>ASSETS</b>		
CURRENT ASSETS		
Accounts receivable	9,466	5,022
Inventories	68,630	69,408
Prepaid expenses	3,325	1,844
Due from Province of British Columbia	54,356	44,062
	<u>135,777</u>	<u>120,336</u>
CAPITAL ASSETS (note 3)	17,549	23,813
	<u>153,326</u>	<u>144,149</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Bank indebtedness	8,561	10,043
Accounts payable and accrued liabilities	137,718	119,175
Current portion of restructuring costs (note 5)	1,183	7,668
Current portion of tenant improvement loans (note 6)	972	1,078
Current portion of capital lease (note 7)	355	321
	<u>148,789</u>	<u>138,285</u>
LONG TERM LIABILITIES		
Tenant improvement loans (note 6)	3,554	4,526
Obligation under capital lease (note 7)	983	1,338
	<u>153,326</u>	<u>144,149</u>

Commitments and Contingent items (notes 8 & 9)

Approved by:



General Manager



Executive Director, Finance

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

## BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH STATEMENT OF OPERATIONS

(in \$000s)

Year Ended March 31,	2005	2004
Sales (note 4)	2,148,383	1,998,223
Less: commissions & discounts	91,287	69,463
	<u>2,057,096</u>	<u>1,928,760</u>
Cost of merchandise sold	1,048,602	992,225
Gross margin	<u>1,008,494</u>	<u>936,535</u>
Operating expenses (schedule)	240,045	215,276
	<u>768,449</u>	<u>721,259</u>
Other income	10,145	5,451
Net income	<u>778,594</u>	<u>726,710</u>

## BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH STATEMENT OF ADVANCE DUE FROM PROVINCE OF BRITISH COLUMBIA

(in \$000s)

Year Ended March 31,	2005	2004
Balance beginning of year	44,062	30,338
Net income	(778,594)	(726,710)
Payments to Province of British Columbia	788,888	740,434
Balance end of year	<u>54,356</u>	<u>44,062</u>

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

## BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH STATEMENT OF CASH FLOWS

(in \$000s)

Year Ended March 31,	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	2,052,652	1,928,978
Cash payments to Provincial Treasury	(788,888)	(740,434)
Cash paid to suppliers and employees	(1,260,610)	(1,198,122)
Cash receipts from other income	9,994	5,348
Interest paid on capital lease and loans	(610)	(807)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>12,538</u>	<u>(5,037)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets excluding capital projects	(6,976)	(1,170)
Acquisition of capital project assets	(2,832)	(95)
Proceeds from disposal of capital assets	151	103
CASH FLOWS (USED IN) INVESTING ACTIVITIES	<u>(9,657)</u>	<u>(1,162)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on capital lease	(321)	(290)
Tenant improvement loans	(1,078)	(1,580)
CASH FLOWS (USED IN) FINANCING ACTIVITIES	<u>(1,399)</u>	<u>(1,870)</u>
NET INCREASE (DECREASE) IN CASH	1,482	(8,069)
(BANK INDEBTEDNESS) BEGINNING OF YEAR	(10,043)	(1,974)
(BANK INDEBTEDNESS) END OF YEAR	<u>(8,561)</u>	<u>(10,043)</u>

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

## BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH STATEMENT OF CASH FLOWS

(in \$000s)

Year Ended March 31,	2005	2004
Salaries, wages and benefits (note 5)	141,772	119,686
Rents	26,124	25,128
Professional services	4,138	4,162
Repairs and maintenance	4,865	4,615
Freight to stores	5,393	4,810
Amortization	16,037	14,929
Light, water and fuel	4,098	4,094
Beverage container costs	9,786	12,599
Other operating expenses	1,972	3,167
Stationery and supplies	2,989	3,017
Merchandising	2,341	2,187
Bank charges	10,076	6,923
Data processing	3,137	3,009
Telephone	3,980	4,067
Travel	649	384
Loss prevention	1,151	1,020
Warehouse equipment costs	927	672
Interest on long term liabilities	610	807
	<u>240,045</u>	<u>215,276</u>

# BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

## NOTES TO THE FINANCIAL STATEMENTS

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March 31, 2005  
(Tabular amounts in \$000s)

### 1. PURPOSE OF THE BRANCH

The British Columbia Liquor Distribution Branch (Branch) obtains its authority for operation from the *British Columbia Liquor Distribution Act (Act)*. As stated in Section 2 of this *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)*.

### 2. SIGNIFICANT ACCOUNTING POLICIES

As prescribed by Section 30(3)(b) of the *Act*, the financial statements of the Branch are prepared in accordance with Canadian generally accepted accounting principles.

Significant accounting policies are as follows:

#### Inventories

Inventories are valued at cost on a first in first out basis, with cost comprising of supplier invoiced value, freight, duties and taxes.

#### Capital Assets

Capital assets are stated at cost and are amortized on a straight line basis as follows:

##### Buildings

7.5 per cent per annum.

##### Leasehold improvements

A minimum of 10 per cent per annum or a rate sufficient to amortize the cost over the remaining life of the respective lease.

##### Furniture, fixtures, vehicles and equipment

25 per cent per annum.

##### Retail Management System

All costs of development, construction and other costs associated with the development of the Retail Management System have been capitalized and are amortized at 25 per cent per annum.

##### Capital projects

All costs of development for capital projects are capitalized. At the point in time when the project is substantially completed, it is amortized at 25 per cent per annum.

#### Leases

Assets recorded under capital leases are amortized on a straight-line basis over the term of the lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

March 31, 2005  
(Tabular amounts in \$000s)

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Related Party Transactions

The Branch is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, as well as other transactions in which Provincial Government intervention is a component, 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.

### 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

## 3. CAPITAL ASSETS

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	1,073	-	<b>1,073</b>	1,073
Buildings	17,994	16,195	<b>1,799</b>	2,242
Tenant improvements	20,937	15,034	<b>5,903</b>	4,362
Furniture, fixtures, vehicles & equipment	28,244	24,641	<b>3,603</b>	1,788
Office furnishings under capital lease	3,627	2,902	<b>725</b>	967
Retail Management System	44,878	43,434	<b>1,444</b>	11,985
Capital projects	4,899	1,897	<b>3,002</b>	1,090
Capital projects under development	-	-	-	306
	<u>121,652</u>	<u>104,103</u>	<u><b>17,549</b></u>	<u>23,813</u>

## 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.

	2005	2004
Retail customers	<b>1,084,012</b>	1,078,670
Licensee retail stores	<b>531,361</b>	416,057
Licensed establishments	<b>414,140</b>	393,479
Agency stores	<b>118,870</b>	110,017
	<u><b>2,148,383</b></u>	<u>1,998,223</u>

March 31, 2005  
 (Tabular amounts in \$000s)

## 5. RESTRUCTURING COSTS

Provisions for severance costs in 2003 for store and distribution centre closures were reversed in 2004 as a result of government decision to continue to operate the retail and distribution system. A balance of \$1.2 million remains for Early Retirement Incentive and Voluntary Departure Program costs for departures in 2005 as a result of organization changes resulting from the collective agreement ratification in November 2003.

	<b>2005</b>	2004
Opening balance beginning year	<b>7,668</b>	32,353
Used during the year	<b>(4,147)</b>	(1,184)
Reversal of accrual not required	<b>(2,338)</b>	(23,501)
	<u><b>1,183</b></u>	<u>7,668</u>

## 6. TENANT IMPROVEMENT LOANS

As at March 31, 2005, the Branch has tenant improvements loans of \$4.5 million financed through landlords. The range of interest rates is 3.3% to 20.0% with loans expiring from June 2005 to June 2014. The Principal payments due are as follows:

Year ending March 31	2006	972
	2007	871
	2008	860
	2009	701
	2010	497
	Subsequent years	<u>625</u>
		4,526
	Current portion	<u>(972)</u>
		<u><u>3,554</u></u>

## 7. OBLIGATION UNDER CAPITAL LEASE

In the fiscal year 1994, the Branch entered into a 15-year capital lease, expiring in the fiscal year 2009, for certain of its head office tenant improvements and office furnishings. The following is a schedule of future minimum lease payments under the capital lease expiring July 31, 2008, together with the balance of the obligation under capital lease:

Year ending March 31	2006	475
	2007	475
	2008	475
	2009	<u>158</u>
		1,583
	Less: imputed interest at 10%	( 245)
	current portion	<u>( 355)</u>
		<u><u>983</u></u>



## 8. COMMITMENTS

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

Year ending March 31	2006	19,470
	2007	15,890
	2008	14,360
	2009	10,670
	2010	7,513
	Subsequent years	<u>17,232</u>
		<u>85,135</u>

## 9. CONTINGENT ITEMS

The Branch has authorized suppliers' agents to import and warehouse liquor for subsequent purchase by the Branch. Under this program, the Branch has a contractual obligation to purchase all inventories held by the agent should the agent opt out of the program. As at March 31, 2005, the value of agents' inventories totalled approximately \$55.3 million (2004 - \$54.5 million) and the future liability for related federal excise taxes is \$11.4 million (2004 - \$10.8 million).

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 corporation.

## 10. EMPLOYEE BENEFIT PLANS

The Branch and its employees contribute to the Public Service Pension Plan (The Plan). The Plan is a multi-employer defined benefits pension plan. Under joint trusteeship, unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest valuation as at March 31, 2002 indicated a \$546 million surplus for basic pension benefits. The next valuation will be as at March 31, 2005 with results available in 2006. The actuary does not attribute portions of the surplus to individual employers. The Branch paid \$7.2 million for employer contributions to the plan in fiscal 2004/05.

Employees are also entitled to specific retirement benefits as provided for under collective agreements and terms of employment. The future liability for this obligation amounts to \$7,411,248 (2004 - \$1,574,194), which represents future employees' retirement benefits outside of the Public Service Pension Plan. The expense adjustment recorded in the year is \$6,954,027 (2004 - \$234,060).

## 11. FINANCIAL INSTRUMENTS

The Liquor Distribution Branch's financial instruments consist of cash, accounts receivable, advances due to/from the Province of British Columbia, accounts payable and accrued liabilities, tenant improvement loans, and capital leases. Unless otherwise noted, it is management's opinion that the Branch is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## 2004/05 Store Sales by Region

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
<b>VANCOUVER ISLAND/COAST</b>											
Alert Bay	225	619,414	99,115	7,886	11,901	57,228	22,100	8.0%	12.0%	57.7%	22.3%
Bella Coola	232	1,109,939	189,751	13,775	16,379	139,396	20,201	7.3%	8.6%	73.5%	10.6%
<b>Campbell River Stores</b>											
Campbell River	005	13,026,047	1,547,162	216,104	305,226	838,831	187,001	4.0%	19.7%	54.2%	12.1%
Willow Point	185	3,108,889	496,931	40,697	63,956	355,456	36,822	8.2%	12.9%	71.5%	7.4%
Chemainus	206	1,958,186	294,058	26,132	50,289	195,618	22,019	8.9%	17.1%	66.5%	7.5%
Comox	235	6,808,953	783,817	113,516	187,489	392,079	90,733	14.5%	23.9%	50.0%	11.6%
Courtenay	010	12,050,079	1,454,894	188,766	326,199	770,147	169,782	13.0%	22.4%	52.9%	11.7%
Cumberland	008	1,171,315	224,953	11,736	16,126	173,822	23,269	5.2%	7.2%	77.3%	10.3%
Duncan	012	14,949,909	2,031,150	222,005	354,165	1,180,430	274,550	10.9%	17.4%	58.2%	13.5%
Gabriola Island	134	2,076,964	280,652	24,754	61,551	173,267	21,080	8.8%	21.9%	61.8%	7.5%
Ganges	204	5,734,032	616,502	70,456	192,781	306,066	47,199	11.4%	31.3%	49.6%	7.7%
Gold River	055	855,931	154,838	10,290	8,966	125,368	10,214	6.6%	5.8%	81.0%	6.6%
Ladysmith	024	4,510,950	643,096	68,545	103,754	398,858	71,939	10.7%	16.1%	62.0%	11.2%
Lake Cowichan	067	2,861,830	478,815	37,204	44,941	342,903	53,767	7.8%	9.4%	71.6%	11.2%
Mill Bay	173	5,065,931	650,987	71,637	128,449	390,617	60,284	11.0%	19.7%	60.0%	9.3%
<b>Nanaimo Stores</b>											
Harbour Park	033	5,696,854	732,235	90,652	144,230	424,076	73,277	12.4%	19.7%	57.9%	10.0%
Longwood Station	188	7,939,868	964,198	116,096	233,098	548,600	66,404	12.0%	24.2%	56.9%	6.9%
Terminal Park	243	18,976,519	1,969,647	356,485	450,367	856,635	306,160	18.1%	22.9%	43.5%	15.5%
<b>Parksville Stores</b>											
Parksville	042	5,821,133	759,218	77,819	177,710	451,497	52,192	10.2%	23.4%	59.5%	6.9%
Parksville North	157	6,987,401	824,315	119,360	182,736	415,304	106,915	14.5%	22.2%	50.3%	13.0%
Pender Island	155	1,738,471	228,693	18,155	54,469	135,590	20,479	7.9%	23.8%	59.3%	9.0%
<b>Port Alberni Stores</b>											
Port Alberni	040	7,573,571	1,047,752	128,655	135,769	674,515	108,813	12.3%	13.0%	64.3%	10.4%
Pt. Alberni North	104	2,820,860	469,156	35,538	52,096	329,315	52,207	7.6%	11.1%	70.2%	11.1%
Port Alice	128	543,769	93,028	6,576	7,323	73,759	5,370	7.1%	7.9%	79.2%	5.8%
Port Hardy	236	2,987,432	475,668	40,100	53,941	326,843	54,784	8.4%	11.3%	68.8%	11.5%
Port McNeill	115	2,674,252	391,212	39,335	47,999	264,401	39,477	10.1%	12.3%	67.5%	10.1%
Powell River	041	7,602,139	994,741	119,243	189,045	539,225	147,228	12.0%	19.0%	54.2%	14.8%
Qualicum	034	5,849,722	724,369	87,492	179,673	399,921	57,283	12.1%	24.8%	55.2%	7.9%
Sidney	050	10,342,932	1,235,668	129,016	356,966	670,387	79,299	10.4%	28.9%	54.3%	6.4%
Sooke	229	4,021,676	570,005	56,155	92,218	364,604	57,028	9.9%	16.2%	63.9%	10.0%
Tahsis	056	303,870	54,176	3,460	4,648	42,198	3,870	6.4%	8.6%	77.9%	7.1%
Tofino	118	3,220,032	383,179	36,605	73,342	246,970	26,262	9.6%	19.1%	64.4%	6.9%
Ucluelet	216	1,846,446	304,572	18,811	35,379	229,944	20,438	6.2%	11.6%	75.5%	6.7%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
<b>Victoria (Greater) Stores</b>											
Trafalgar Square	059	5,456,015	746,274	67,536	161,976	468,396	48,366	9.0%	21.7%	62.8%	6.5%
Esquimalt	068	3,271,098	522,850	41,364	76,005	366,933	38,548	7.9%	14.5%	70.2%	7.4%
Gorge and Tillicum	124	8,559,658	1,315,473	110,303	195,514	911,737	97,919	8.4%	14.9%	69.3%	7.4%
Langford	125	9,315,973	1,370,299	127,230	208,518	923,862	110,689	9.3%	15.2%	67.4%	8.1%
Cedar Hill	140	6,253,883	798,439	82,484	198,445	465,540	51,970	10.3%	24.9%	58.3%	6.5%
James Bay	150	3,647,652	473,648	45,578	124,334	276,973	26,763	9.6%	26.3%	58.4%	5.7%
Blanshard Square	161	7,698,195	1,132,743	94,155	174,114	780,013	84,461	8.3%	15.4%	68.8%	7.5%
Fairfield	178	5,210,005	596,107	54,831	204,484	308,525	28,267	9.2%	34.3%	51.8%	4.7%
Broadmead Village	181	8,341,183	977,702	98,418	275,341	540,974	62,969	10.1%	28.2%	55.3%	6.4%
Victoria Bay Centre	184	4,585,110	535,295	63,980	114,625	308,825	47,865	12.0%	21.4%	57.7%	8.9%
Fort Street	218	17,818,840	1,822,244	173,597	566,375	983,199	99,073	9.5%	31.1%	54.0%	5.4%
Colwood	219	3,880,151	577,299	53,191	83,026	393,652	47,430	9.2%	14.4%	68.2%	8.2%
Government Street Licensee	231	30,263,359	2,384,009	553,582	739,765	621,912	468,750	23.2%	31.0%	26.1%	19.7%
Saanich	242	7,399,856	1,034,709	90,082	205,117	662,590	76,920	8.7%	19.8%	64.1%	7.4%
<b>MAINLAND/SOUTHWEST</b>											
<b>Abbotsford Stores</b>											
Abbotsford	001	5,140,759	668,259	86,361	106,419	390,815	84,664	12.9%	15.9%	58.5%	12.7%
Abbotsford Village	189	8,965,241	1,196,545	121,460	226,980	753,914	94,191	10.2%	19.0%	62.9%	7.9%
Agassiz	064	3,562,139	468,729	53,305	77,828	277,517	60,079	11.4%	16.6%	59.2%	12.8%
<b>Burnaby Stores</b>											
Lougheed Plaza	077	12,460,110	1,532,637	181,034	302,726	900,931	147,946	11.8%	19.8%	58.7%	9.7%
Royal Oak Rumble	121	3,999,740	546,005	55,924	93,422	349,429	47,230	10.2%	17.1%	64.0%	8.7%
Kensington	137	5,860,858	794,244	66,770	169,010	516,204	42,260	8.4%	21.3%	65.0%	5.3%
Brentwood	187	3,960,875	504,829	50,866	99,102	323,941	30,920	10.1%	19.6%	64.2%	6.1%
South Burnaby	203	6,669,144	858,132	90,616	181,481	538,620	47,415	10.6%	21.1%	62.8%	5.5%
North Burnaby	217	5,670,329	779,016	73,558	142,274	509,816	53,368	9.4%	18.3%	65.4%	6.9%
Highgate Village	220	6,148,895	824,173	83,735	136,299	562,954	41,185	10.2%	16.5%	68.3%	5.0%
<b>Chilliwack Stores</b>											
Chilliwack	007	12,310,079	1,645,563	204,467	218,898	973,872	248,326	12.4%	13.3%	59.2%	15.1%
Sardis	170	10,305,682	1,388,048	163,213	223,593	858,163	143,079	11.8%	16.1%	61.8%	10.3%
Clearbrook	149	4,097,117	536,249	77,669	64,510	330,224	63,846	14.5%	12.0%	61.6%	11.9%
<b>Coquitlam Stores</b>											
Como Lake	153	5,212,479	701,769	59,038	151,643	453,470	37,618	8.4%	21.6%	64.6%	5.4%
Austin Road	200	7,226,754	1,035,573	90,205	188,737	694,387	62,244	8.7%	18.2%	67.1%	6.0%
<b>Delta Stores</b>											
Ladner	025	8,833,227	1,097,599	124,136	263,526	623,614	86,323	11.3%	24.0%	56.8%	7.9%
Tsawwassen	098	8,135,305	947,936	95,674	288,707	514,787	48,768	10.1%	30.5%	54.3%	5.1%
Scottsdale	145	10,291,409	1,190,747	190,765	225,749	709,018	65,215	16.0%	19.0%	59.5%	5.5%
Gibson	080	6,430,581	851,035	82,091	182,999	517,006	68,939	9.6%	21.5%	60.8%	8.1%
Haney	065	11,094,986	1,389,017	183,612	254,444	799,833	151,128	13.2%	18.3%	57.6%	10.9%
Hope	071	4,136,308	670,940	56,629	65,018	479,088	70,205	8.4%	9.7%	71.4%	10.5%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
<b>Langley Stores</b>											
Aldergrove	109	8,668,072	1,223,920	138,057	163,378	804,880	117,605	11.3%	13.3%	65.8%	9.6%
Langley	022	10,034,464	1,272,724	162,944	253,397	741,003	115,380	12.8%	19.9%	58.2%	9.1%
Fort Langley	127	2,365,138	359,492	27,500	55,904	252,105	23,983	7.6%	15.6%	70.1%	6.7%
Willowbrook	158	14,932,805	1,853,520	227,804	352,082	1,074,981	198,653	12.3%	19.0%	58.0%	10.7%
Walnut Grove	186	6,882,768	843,595	94,289	186,271	478,194	84,841	11.2%	22.1%	56.6%	10.1%
Lillooet	023	1,935,721	314,179	25,737	29,654	225,017	33,771	8.2%	9.4%	71.7%	10.7%
Madeira Park	093	2,163,379	291,793	28,513	56,270	183,763	23,247	9.8%	19.3%	62.9%	8.0%
West Maple Ridge	164	9,405,362	1,263,296	138,086	230,130	777,136	117,944	10.9%	18.2%	61.6%	9.3%
Mission Plaza	027	11,236,332	1,523,872	183,627	204,575	963,469	172,201	12.1%	13.4%	63.2%	11.3%
<b>New Westminster Stores</b>											
New Westminster	031	11,616,330	1,607,819	168,380	251,739	1,068,440	119,260	10.5%	15.7%	66.4%	7.4%
Royal Square	097	7,908,919	969,263	125,281	203,920	531,895	108,167	12.9%	21.0%	54.9%	11.2%
<b>North Vancouver Stores</b>											
North Vancouver	030	5,133,313	762,114	58,375	132,237	528,237	43,265	7.7%	17.4%	69.2%	5.7%
Westview	107	13,385,441	1,650,859	136,483	433,288	991,583	89,505	8.3%	26.2%	60.1%	5.4%
Dollarton Village	133	5,915,139	729,932	55,196	215,528	420,405	38,803	7.6%	29.5%	57.6%	5.3%
Capilano Mall	152	9,191,652	984,574	128,665	313,263	452,678	89,968	13.1%	31.8%	46.0%	9.1%
North Vancouver Esplanade	196	830,222	111,184	9,470	24,076	72,248	5,390	8.5%	21.7%	65.0%	4.8%
Lynn Valley	247	12,736,680	1,569,091	143,444	420,176	876,136	129,335	9.1%	26.8%	55.9%	8.2%
Pemberton	101	2,855,023	498,908	23,961	48,200	380,477	46,270	4.8%	9.7%	76.2%	9.3%
Pitt Meadows	165	4,595,788	577,701	75,056	99,892	337,673	65,080	13.0%	17.3%	58.4%	11.3%
<b>Port Coquitlam Stores</b>											
Port Coquitlam	011	6,739,108	918,226	99,161	148,073	561,689	109,303	10.8%	16.1%	61.2%	11.9%
Prairie Mall	089	4,971,693	782,251	62,567	102,432	565,174	52,078	8.0%	13.1%	72.2%	6.7%
Westwood Centre	163	19,229,636	2,337,360	237,064	492,074	1,426,829	181,393	10.1%	21.1%	61.0%	7.8%
Port Moody	205	5,725,745	746,318	67,787	177,853	438,633	62,045	9.1%	23.8%	58.8%	8.3%
<b>Richmond Stores</b>											
Brighouse	076	11,935,478	1,422,536	149,273	295,652	902,501	75,110	10.5%	20.8%	63.4%	5.3%
Ironwood	120	6,006,516	743,816	83,942	162,714	440,755	56,405	11.3%	21.9%	59.2%	7.6%
Blundell	176	8,049,199	925,606	91,557	266,597	514,446	53,006	9.9%	28.8%	55.6%	5.7%
Garden City	180	4,594,181	592,376	65,122	124,237	365,435	37,582	11.0%	21.0%	61.7%	6.3%
Richmond SeaFair	244	8,046,354	1,038,413	101,255	248,123	606,547	82,488	9.8%	23.9%	58.4%	7.9%
Vancouver Airport	193	1,101,664	101,314	12,362	30,429	53,795	4,728	12.2%	30.0%	53.1%	4.7%
Sechelt	230	7,100,078	867,663	97,831	214,854	475,030	79,948	11.3%	24.8%	54.7%	9.2%
Squamish	208	7,212,078	1,006,730	96,242	142,320	668,831	99,337	9.6%	14.1%	66.4%	9.9%
<b>Surrey Stores</b>											
Cloverdale	070	8,336,287	1,058,088	137,461	175,175	625,929	119,523	13.0%	16.6%	59.1%	11.3%
Ocean Park	110	5,720,517	649,162	60,959	206,157	348,074	33,972	9.4%	31.8%	53.6%	5.2%
North Surrey	116	8,781,316	1,088,274	188,017	104,011	698,488	97,758	17.3%	9.6%	64.1%	9.0%
Whalley	122	9,773,988	1,384,570	159,971	155,347	932,132	137,120	11.6%	11.2%	67.3%	9.9%
Newton	172	11,862,027	1,451,874	240,299	181,826	915,967	113,782	16.6%	12.5%	63.1%	7.8%
Fleetwood	182	12,900,353	1,563,033	232,543	239,923	960,256	130,311	14.9%	15.3%	61.5%	8.3%
Peninsula Village	183	13,115,300	1,603,803	146,930	413,743	960,134	82,996	9.2%	25.8%	59.8%	5.2%
Guildford	240	8,725,929	1,086,655	136,172	202,546	657,538	90,399	12.5%	18.6%	60.6%	8.3%
Nordel Crossing	241	12,037,323	1,465,018	244,270	177,334	923,708	119,706	16.7%	12.1%	63.0%	8.2%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
<b>Vancouver Stores</b>											
Marpole	038	5,752,006	762,874	63,973	161,010	494,058	43,833	8.4%	21.1%	64.8%	5.7%
Harbour Centre	053	5,829,160	743,620	77,372	116,213	494,102	55,933	10.4%	15.6%	66.5%	7.5%
Hastings and Slocan	058	6,979,275	1,053,487	83,042	148,349	744,005	78,091	7.9%	14.1%	70.6%	7.4%
Jericho Village	090	9,675,301	1,108,675	97,038	315,072	639,081	57,484	8.8%	28.4%	57.6%	5.2%
Bute Street	094	7,342,836	970,912	94,241	178,234	623,402	75,035	9.7%	18.4%	64.2%	7.7%
Broadway & Lillooet Licensee	100	122,820,261	7,057,460	2,191,629	2,917,897	774,096	1,173,838	31.1%	41.3%	11.0%	16.6%
Dunbar	102	9,324,828	970,584	66,736	336,076	525,376	42,396	6.9%	34.6%	54.1%	4.4%
Commercial Drive	111	9,822,804	1,327,895	98,810	266,692	871,717	90,676	7.4%	20.1%	65.7%	6.8%
Cardero	112	12,969,702	1,585,687	147,648	390,654	951,587	95,798	9.3%	24.6%	60.1%	6.0%
Collingwood	113	11,453,305	1,700,066	141,694	225,256	1,243,658	89,458	8.3%	13.2%	73.2%	5.3%
Broadway Maple	117	15,769,427	1,907,410	149,421	491,507	1,172,759	93,723	7.8%	25.8%	61.5%	4.9%
Kingsgate Mall	123	8,687,418	1,448,188	89,313	162,287	1,119,655	76,933	6.2%	11.2%	77.3%	5.3%
Thurlow	129	22,990,807	2,244,809	218,235	592,593	1,304,841	129,140	9.7%	26.4%	58.1%	5.8%
Arbutus	136	5,012,294	463,083	55,222	194,046	190,396	23,419	11.9%	41.9%	41.1%	5.1%
Granville & 10th	141	2,895,752	333,542	27,457	96,696	192,972	16,417	8.2%	29.0%	57.9%	4.9%
18th and Cambie	146	3,596,107	461,056	33,102	102,006	296,518	29,430	7.2%	22.1%	64.3%	6.4%
39th and Cambie	160	43,967,237	3,585,653	397,516	1,185,442	1,819,017	183,678	11.1%	33.1%	50.7%	5.1%
8th & Cambie	177	7,175,294	834,922	68,220	226,188	495,122	45,392	8.2%	27.1%	59.3%	5.4%
Yaletown	191	4,049,179	387,134	36,584	115,632	217,820	17,098	9.4%	29.9%	56.3%	4.4%
UBC Marketplace	192	1,930,250	265,512	21,512	39,567	189,552	14,881	8.1%	14.9%	71.4%	5.6%
Champlain Mall	194	4,602,093	642,643	58,580	122,675	425,672	35,716	9.1%	19.1%	66.2%	5.6%
Kerrisdale	210	2,877,722	305,922	27,058	103,169	160,134	15,561	8.8%	33.7%	52.4%	5.1%
28th and Main	237	5,669,043	863,401	62,747	121,659	640,041	38,954	7.3%	14.1%	74.1%	4.5%
Broadway & Lillooet	300	7,123,568	1,114,514	66,549	166,492	837,781	43,692	6.0%	14.9%	75.2%	3.9%
<b>West Vancouver Stores</b>											
Ambleside	072	6,726,205	636,235	75,763	267,775	262,627	30,070	11.9%	42.1%	41.3%	4.7%
Caulfeild	175	7,575,881	667,303	63,189	282,141	279,506	42,467	9.5%	42.3%	41.8%	6.4%
Park Royal	228	19,688,701	1,564,655	144,720	671,583	688,882	59,470	9.2%	42.9%	44.1%	3.8%
<b>Whistler Stores</b>											
Whistler Market Place	179	11,460,367	1,202,490	90,985	300,040	754,746	56,719	7.6%	25.0%	62.7%	4.7%
Whistler Creekside	195	110,743	13,584	838	2,983	9,206	557	6.2%	22.0%	67.7%	4.1%
Whistler	302	7,318,756	887,377	86,013	136,607	614,930	49,827	9.7%	15.4%	69.3%	5.6%
White Rock	006	11,587,880	1,289,468	157,839	390,972	650,160	90,497	12.2%	30.3%	50.5%	7.0%
<b>THOMPSON/OKANAGAN</b>											
Armstrong	215	2,626,451	398,167	40,781	45,200	272,469	39,717	10.2%	11.4%	68.4%	10.0%
Ashcroft	002	937,034	160,690	12,505	14,325	121,472	12,388	7.8%	8.9%	75.6%	7.7%
Barriere	138	1,311,704	231,128	17,481	14,627	177,512	21,508	7.6%	6.3%	76.8%	9.3%
Cache Creek	060	1,198,379	192,304	16,886	16,319	136,853	22,246	8.8%	8.5%	71.1%	11.6%
Chase	226	4,269,030	519,377	78,179	85,110	255,187	100,901	15.1%	16.4%	49.1%	19.4%
Clearwater	088	2,237,865	342,273	32,665	36,381	237,878	35,349	9.5%	10.6%	69.6%	10.3%
Clinton	201	1,203,278	206,686	15,986	13,315	163,365	14,020	7.7%	6.4%	79.1%	6.8%
Enderby	049	1,866,416	268,269	33,280	25,769	177,147	32,073	12.4%	9.6%	66.0%	12.0%
Golden	016	4,286,535	568,555	55,606	75,380	397,584	39,985	9.8%	13.3%	69.9%	7.0%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
<b>Kamloops Stores</b>											
Thompson Park	021	2,615,767	352,959	43,816	52,972	232,900	23,271	12.4%	15.0%	66.0%	6.6%
Columbia Place	079	14,263,548	1,621,051	226,879	321,432	887,034	185,706	14.0%	19.8%	54.7%	11.5%
Valleyview	108	5,541,903	667,300	102,463	100,113	351,131	113,593	15.4%	15.0%	52.6%	17.0%
Westsyde	147	1,544,693	260,643	21,226	24,037	198,795	16,585	8.1%	9.2%	76.3%	6.4%
Kamloops North	223	11,483,194	1,681,283	193,420	171,721	1,124,054	192,088	11.5%	10.2%	66.9%	11.4%
<b>Kelowna Stores</b>											
Bernard	020	1,618,579	225,925	21,089	39,060	147,098	18,678	9.3%	17.3%	65.1%	8.3%
Gordon & Harvey	103	5,016,595	715,406	76,324	117,344	473,499	48,239	10.7%	16.4%	66.2%	6.7%
Westbank	143	10,818,724	1,420,019	179,497	224,404	859,034	157,084	12.6%	15.8%	60.5%	11.1%
Mission Park	148	7,720,338	1,011,247	103,568	212,349	628,452	66,878	10.2%	21.0%	62.2%	6.6%
Orchard Park	167	31,667,758	3,218,824	576,466	666,410	1,509,216	466,732	17.9%	20.7%	46.9%	14.5%
Keremeos	019	1,763,460	269,591	26,924	28,911	185,645	28,111	10.0%	10.7%	68.9%	10.4%
Logan Lake	139	822,848	123,984	13,539	13,064	88,435	8,946	10.9%	10.5%	71.4%	7.2%
Lumby	214	2,019,266	305,944	31,930	27,256	198,953	47,805	10.4%	8.9%	65.1%	15.6%
Lytton	209	630,201	116,348	6,775	10,705	87,858	11,010	5.8%	9.2%	75.5%	9.5%
Merritt	029	4,203,413	648,081	64,985	68,806	435,262	79,028	10.0%	10.6%	67.2%	12.2%
Oliver	069	3,667,590	529,105	59,850	67,402	348,350	53,503	11.3%	12.7%	65.9%	10.1%
Osoyoos	083	4,510,215	612,827	70,777	96,437	370,766	74,847	11.5%	15.7%	60.6%	12.2%
<b>Penticton Stores</b>											
Penticton - Martin St.	039	6,017,267	769,511	102,651	124,650	462,573	79,637	13.3%	16.2%	60.2%	10.3%
Penticton Plaza	130	11,930,776	1,573,882	193,789	256,705	954,465	168,923	12.3%	16.3%	60.7%	10.7%
Princeton	037	2,387,956	396,440	32,075	38,266	296,764	29,335	8.1%	9.7%	74.8%	7.4%
Revelstoke	045	3,959,769	540,717	55,206	78,306	359,010	48,195	10.2%	14.5%	66.4%	8.9%
Salmon Arm	048	8,396,193	1,017,354	154,462	167,785	547,351	147,756	15.2%	16.5%	53.8%	14.5%
Sicamous	092	2,239,398	285,192	42,891	34,156	164,188	43,957	15.0%	12.0%	57.6%	15.4%
Summerland	086	3,974,338	565,883	60,314	83,602	376,139	45,828	10.7%	14.8%	66.4%	8.1%
<b>Vernon Stores</b>											
Vernon	062	7,103,625	737,623	145,005	149,669	326,270	116,679	19.7%	20.3%	44.2%	15.8%
Vernon Square	135	11,189,363	1,242,045	210,256	240,315	612,181	179,293	16.9%	19.3%	49.4%	14.4%
Winfield	166	4,204,702	565,756	68,239	91,397	339,955	66,165	12.1%	16.2%	60.0%	11.7%
<b>KOOTENAY</b>											
Castlegar	078	4,692,832	595,222	84,152	97,558	342,272	71,240	14.1%	16.4%	57.5%	12.0%
Cranbrook	009	10,293,861	1,480,583	166,313	177,738	1,012,431	124,101	11.2%	12.0%	68.4%	8.4%
Creston Valley	075	4,309,477	614,871	70,665	73,722	417,541	52,943	11.5%	12.0%	67.9%	8.6%
Elkford	131	802,096	117,718	14,650	7,959	87,361	7,748	12.4%	6.8%	74.2%	6.6%
Fernie	013	4,344,267	603,003	58,422	79,509	426,425	38,647	9.7%	13.2%	70.7%	6.4%
Fruitvale	095	1,208,927	219,013	13,828	20,711	170,397	14,077	6.3%	9.5%	77.8%	6.4%
Grand Forks	015	4,377,161	691,375	58,819	89,357	475,011	68,188	8.5%	12.9%	68.7%	9.9%
Greenwood	014	486,201	78,889	7,082	6,881	58,359	6,567	9.0%	8.7%	74.0%	8.3%
Invermere	017	6,086,843	748,294	89,338	134,976	427,458	96,522	11.9%	18.0%	57.2%	12.9%
Kaslo	018	1,480,820	248,842	15,636	29,523	183,175	20,508	6.3%	11.9%	73.6%	8.2%
Kimberley	066	3,334,239	485,227	49,437	65,372	332,259	38,159	10.2%	13.5%	68.4%	7.9%
Nakusp	202	2,227,863	386,387	25,432	33,021	298,344	29,590	6.6%	8.5%	77.2%	7.7%
Nelson	032	9,941,520	1,249,084	139,707	234,297	748,605	126,475	11.2%	18.8%	59.9%	10.1%
New Denver	074	609,455	103,272	5,898	12,040	76,847	8,487	5.7%	11.7%	74.4%	8.2%
Radium	245	1,429,760	207,796	19,359	26,304	144,755	17,378	9.3%	12.7%	69.6%	8.4%
Rossland	044	1,855,309	261,985	20,565	47,599	178,528	15,293	7.8%	18.2%	68.2%	5.8%
Salmo	207	963,731	158,599	14,621	11,761	115,872	16,345	9.2%	7.4%	73.1%	10.3%

Store Name	Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Cider/ Coolers	Spirits	Wine	Beer	Cider/ Coolers
<b>KOOTENAY (continued)</b>											
Sparwood	028	1,412,764	230,755	22,056	13,626	181,182	13,891	9.6%	5.9%	78.5%	6.0%
Trail	051	4,341,128	633,579	63,542	110,356	401,404	58,277	10.0%	17.4%	63.4%	9.2%
<b>CARIBOO</b>											
100 Mile House	221	6,379,284	878,919	107,479	129,102	547,162	95,176	12.2%	14.7%	62.3%	10.8%
MacKenzie	106	2,491,622	367,898	43,258	23,510	272,887	28,243	11.8%	6.4%	74.1%	7.7%
McBride	026	986,045	149,243	16,298	10,064	112,561	10,320	10.9%	6.7%	75.5%	6.9%
<b>Prince George Stores</b>											
Hart Highway	114	3,729,813	576,636	60,680	44,171	431,717	40,068	10.5%	7.7%	74.9%	6.9%
10th Avenue	126	9,960,401	1,551,254	147,649	145,295	1,148,252	110,058	9.5%	9.4%	74.0%	7.1%
College Heights	154	4,310,140	639,069	64,405	71,862	446,873	55,929	10.1%	11.2%	69.9%	8.8%
Parkwood Place	174	13,517,596	1,633,731	240,515	265,137	870,351	257,728	14.7%	16.2%	53.3%	15.8%
Quesnel	043	7,493,969	906,813	148,260	132,680	500,940	124,933	16.3%	14.6%	55.3%	13.8%
Valemount	096	1,084,949	165,341	13,434	18,190	124,243	9,474	8.1%	11.0%	75.2%	5.7%
Williams Lake	063	9,308,791	1,147,427	180,200	176,461	624,237	166,529	15.7%	15.4%	54.4%	14.5%
<b>NORTH COAST</b>											
Hazelton	227	1,299,329	245,310	13,878	12,430	191,114	27,888	5.7%	5.1%	77.8%	11.4%
Kitimat	213	3,148,246	497,091	40,844	65,625	357,793	32,829	8.2%	13.2%	72.0%	6.6%
Massett	105	1,738,914	274,645	21,177	31,670	199,789	22,009	7.7%	11.5%	72.8%	8.0%
Prince Rupert	035	6,006,078	817,873	96,793	107,564	535,906	77,610	11.8%	13.2%	65.5%	9.5%
Queen Charlotte City	211	1,742,432	272,773	20,579	29,902	201,403	20,889	7.5%	11.0%	73.8%	7.7%
Stewart	047	403,997	56,586	6,464	8,065	38,057	4,000	11.4%	14.3%	67.2%	7.1%
Terrace	052	8,171,229	1,049,773	139,359	165,505	597,854	147,055	13.3%	15.8%	56.9%	14.0%
<b>NECHAKO</b>											
Burns Lake	073	2,433,249	360,582	40,178	34,486	250,459	35,459	11.1%	9.6%	69.5%	9.8%
Fort St. James	248	1,827,840	279,557	29,282	20,442	201,712	28,121	10.5%	7.3%	72.1%	10.1%
Fraser Lake	091	1,067,986	167,899	15,833	13,983	121,676	16,407	9.4%	8.3%	72.5%	9.8%
Houston	099	1,806,696	275,726	28,789	18,688	197,436	30,813	10.4%	6.8%	71.6%	11.2%
Smithers	046	5,445,390	737,417	83,486	103,637	472,161	78,133	11.3%	14.1%	64.0%	10.6%
Vanderhoof	081	2,499,113	365,764	39,893	38,230	246,967	40,674	10.9%	10.5%	67.5%	11.1%
<b>PEACE RIVER</b>											
Chetwynd	238	2,415,984	364,169	41,021	21,759	265,065	36,324	11.3%	6.0%	72.7%	10.0%
Dawson Creek	212	6,397,913	921,137	110,604	85,340	627,898	97,295	12.0%	9.3%	68.1%	10.6%
Fort Nelson	222	4,257,334	480,103	97,243	39,787	289,223	53,850	20.3%	8.3%	60.2%	11.2%
Fort St. John	003	10,955,181	1,296,720	232,642	123,808	777,815	162,455	17.9%	9.5%	60.1%	12.5%
Hudson Hope	234	522,000	83,340	7,350	6,801	62,835	6,354	8.8%	8.2%	75.4%	7.6%
Tumbler Ridge	169	829,016	122,818	14,526	8,956	86,674	12,662	11.8%	7.3%	70.6%	10.3%
<b>GRAND TOTAL</b>		<b>1,549,286,793</b>	<b>185,886,269</b>	<b>22,334,640</b>	<b>37,156,258</b>	<b>109,194,365</b>	<b>17,201,006</b>	<b>12.0%</b>	<b>20.0%</b>	<b>58.7%</b>	<b>9.3%</b>

Source: LDB Data Warehouse

Note: Store sales figures represent sales activity in government liquor stores. Product sold directly by suppliers to wholesale customers are not included in these figures.

## Appendices

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### Appendix A – Departmental Descriptions

The LDB is a retailer and wholesaler that purchases, distributes and sells beverage alcohol. Following are the LDB's key operating departments:

#### Retail Services

Retail Services includes Store Operations, Merchandise Services, Marketing, and Real Estate.

#### Distribution

Distribution is responsible for processing more than nine million cases of beverage alcohol annually through its two distribution centres located in Vancouver and Kamloops. The department serves both retail and wholesale customers, which include government liquor stores, rural agency stores, licensee retail stores, private wine stores, and three other liquor jurisdictions in northern Canada.

#### Store Operations

The Store Operations department manages 212 government liquor stores throughout the province and administers and supports customer service and sales activities within the stores, including the responsible retailing of beverage alcohol. The department oversees the Rural Agency Store program, in which the LDB authorizes small general merchandise or grocery stores to retail alcohol in remote and rural communities where it is not viable for a government liquor store to operate.

#### Merchandise Services

Merchandise Services is responsible for purchasing beverage alcohol products which are approved for sale in British Columbia, and manages the inventory of products sold in LDB stores by monitoring daily market and sales trends in order to forecast inventory volume and prevent product stockouts. Merchandise Services is also responsible for Marketing, which includes product promotions in government liquor stores and works with suppliers and manufacturers, as well as store staff, to provide feature products and product information to enhance customer service. Marketing also develops and publishes a monthly price list, the quarterly *Matters of Taste* magazine, the product content and information for [www.bcliquorstores.com](http://www.bcliquorstores.com), and materials for the LDB's Social Responsibility programs.

#### Real Estate

The Real Estate department is responsible for the administration and maintenance of the LDB's leased and owned store premises, distribution centres and administrative offices. Real Estate is responsible for enhancing customer service by developing new store locations and upgrading existing properties.

#### Loss Prevention

This department is responsible for developing, implementing and administering diverse and comprehensive security policies and programs. Loss Prevention optimizes protection of public financial assets, personnel and the general public.

#### Legal Services

The Legal Services department provides legal advice to the LDB and directs the Information and Privacy program. The responsibilities of the Information and Privacy Office include: responding to public requests for LDB business information; advising on privacy issues; administering, controlling and preserving LDB records; and providing a sales data service to LDB industry partners such as suppliers, agents, industry associations, private retailers and departments of government.



## Corporate Policy

The Corporate Policy department researches and advises on corporate liquor policy issues and works with other government organizations on cross-jurisdictional issues. The department is also responsible for Special Retail Programs and Communications.

## Special Retail Programs

Special Retail Programs oversees retail operating authorizations with a number of private liquor retailers, including 141 British Columbia liquor manufacturer stores, 12 independent wines stores, 10 duty-free stores and 534 licensee retail stores. The authorizations govern such items as the customers to whom these retailers may sell, the products they may carry for sale, remuneration, and reporting requirements.

## Communications

Communications is responsible for the planning and execution of internal and external communications, public relations, and media relations. The department develops a variety of corporate publications, including public information materials and the LDB's annual reports and service plans.

## Finance

The responsibilities of Finance include: the development and implementation of branch programs for effective financial control of assets, revenues and expenditures; the preparation and monitoring of revenue, expense and capital budgets; accounting for and reporting on branch operations in accordance with generally accepted accounting principles; and the provision of financial analyses, information and advice as may be required by the LDB. As well as reporting on the LDB's financial performance, this department includes an audit division which ensures accountability to taxpayers and monitors LDB transactions with its business partners.

## Information Services

The Information Services Department is responsible for determining the technologies used by the LDB, establishing standards, and managing technology costs. The department manages the selection, design, development, security, implementation, maintenance and revision of the electronic data processing and information systems that assist in achieving LDB goals.

## Human Resources

### Personnel

This department provides human resources services related to recruitment and selection, employee training and development, labour relations, classification and compensation, leaves and benefits administration, organizational development, occupational health and safety, employee counselling and human resources planning. These services ensure the provision of a qualified, competent, stable and productive workforce, a key element in meeting the goals and objectives of the LDB.

### Training and Development

Training and Development is responsible for providing solutions that promote learning, employee development and the effective management of change in support of corporate goals. This is achieved by a core group of internal instructors and support staff, with some assistance provided by regional trainers.

The division identifies ongoing and emergent training needs and provides curriculum development, course delivery, and evaluation of training programs and initiatives. Training and Development also provides performance consulting and facilitation services to departments requesting assistance with problem identification and resolution, process mapping, team building, conflict resolutions, and performance and career coaching.

## Appendix B - Executive Organization

The LDB senior management, as of March 31, 2005, includes:

General Manager\*

**Jay Chambers**

Executive Administrative Assistant

**Cindy Dahlke**

Executive Director, Finance\*

**Roger Bissoondatt**

Executive Director, Retail Services\*

**Kelly Conrad**

Legal Counsel\*

**Catherine Sloan**

Executive Director, Human Resources\*

**Conny Nordin**

Director, Store Operations

**Gord Zelenika**

Director, Distribution

**Don Wilcox**

Director, Real Estate

**Jim Heisler**

Director, Loss Prevention\*

**Donna Morse**

Director, Merchandise Services

**Michael Procopio**

Director, Information Services\*

**Don Farley**

Director, Corporate Policy\*

**Gordon Hall**

Chief Auditor

**Rita Bittel**

Manager, Communications

**Michèle Green**

\* Members of the Executive Management Committee

## Appendix C - Product Sales, Growth and Trends

### Beer Sales by Country of Origin - Top 10

Dollar Sales (in \$000s)

Category	2004/05	2003/04	2002/03	2001/02	% Change 2004/05 vs 2003/04
CANADA	832,842	787,279	750,568	733,910	5.8%
MEXICO	37,910	34,002	32,575	28,026	11.5%
UNITED STATES	31,458	29,644	25,651	20,445	6.1%
NETHERLANDS	18,104	16,719	15,078	13,850	8.3%
BELGIUM	13,052	8,345	5,369	3,021	56.4%
GERMANY	11,085	10,528	9,343	7,243	5.3%
IRELAND	9,031	8,646	8,166	8,496	4.5%
BRAZIL	5,195	5,359	91	0	-3.1%
ENGLAND	2,485	2,407	2,512	2,487	3.2%
CZECH REPUBLIC	2,090	1,533	1,422	1,139	36.3%

### Beer Sales by Country of Origin - Top 10

Litre Sales (in \$000s)

Category	2004/05	2003/04	2002/03	2001/02	% Change 2004/05 vs 2003/04
CANADA	238,688	240,210	235,021	237,856	-0.6%
MEXICO	8,116	7,398	7,162	6,341	9.7%
UNITED STATES	7,902	7,721	7,073	5,857	2.3%
NETHERLANDS	3,805	3,547	3,198	3,021	7.3%
BELGIUM	2,735	1,773	1,159	661	54.3%
GERMANY	2,665	2,592	2,329	1,742	2.8%
IRELAND	1,975	1,949	1,876	1,967	1.3%
BRAZIL	1,059	1,096	19	0	-3.4%
ENGLAND	532	527	554	562	0.9%
CZECH REPUBLIC	509	373	343	281	36.5%

### Imported Beer Brands - Top 10

Dollar Sales (in \$000s)

Brand Name	2004/05	2003/04	% Change vs Prev Year
CORONA EXTRA (Mexico)	34,065	30,010	13.5%
MILLER GENUINE DRAFT (USA)	25,222	25,934	-2.7%
HEINEKEN LAGER (Netherlands)	15,710	15,021	4.6%
STELLA ARTOIS (Belgium)	11,899	7,342	62.1%
A MARCA BAVARIA (Brazil)	5,155	5,320	-3.1%
BECKS (Germany)	4,256	4,377	-2.8%
GUINNESS PUB DRAUGHT (Ireland)	3,160	2,901	8.9%
STROH PABST BLUE RIBBON (USA)	2,576	0	
WARSTEINER PREMIUM VERUM (Germany)	1,976	1,966	0.5%
SOL ESPECIAL (Mexico)	1,654	1,651	0.2%

## Spirit Sales by Category - Top 10

Dollar Sales (in \$000s)

Category	2004/05	2003/04	2002/03	2001/02	% Change 2004/05 vs 2003/04
VODKA	147,546	135,887	126,306	115,195	8.6%
WHISKY - CANADA	118,892	114,814	112,042	106,881	3.6%
LIQUEURS/OTHER SPIRITS	101,622	91,976	88,551	84,072	10.5%
RUM	98,177	91,622	87,463	83,136	7.2%
WHISKEY - SCOTCH	51,223	48,460	47,386	47,009	5.7%
GIN	30,338	28,105	26,489	24,325	7.9%
BRANDY	13,869	13,481	13,324	13,315	2.9%
TEQUILA	11,979	10,098	9,027	7,973	18.6%
WHISKEY - OTHERS	9,176	8,190	7,723	6,949	12.0%
COGNAC/ARMAGNAC	4,094	3,961	3,827	3,742	3.4%

## Spirit Sales by Category - Top 10

Litre Sales (in \$000s)

Category	2004/05	2003/04	2002/03	2001/02	% Change 2004/05 vs 2003/04
VODKA	6,153	5,825	5,458	5,004	5.6%
WHISKY - CANADA	4,724	4,681	4,604	4,430	0.9%
RUM	4,085	3,942	3,783	3,631	3.6%
LIQUEURS/OTHER SPIRITS	3,552	3,424	3,372	3,296	3.7%
WHISKEY - SCOTCH	1,460	1,430	1,377	1,358	2.1%
GIN	1,169	1,110	1,058	994	5.3%
BRANDY	562	566	564	561	-0.7%
TEQUILA	303	250	206	176	21.2%
WHISKEY - OTHERS	283	258	246	224	9.7%
COGNAC/ARMAGNAC	43	42	41	39	2.4%

## Spirit Brands - Top 10

Dollar Sales (in \$000s)

Brand Name	2004/05	2003/04	% Change vs Prev Year
SMIRNOFF - RED LABEL VODKA (Canada)	42,645	41,117	3.7%
BACARDI WHITE RUM (Canada)	34,365	32,334	6.3%
CROWN ROYAL CANADIAN WHISKY (Canada)	26,142	24,937	4.8%
WISERS DELUXE CANADIAN WHISKY (Canada)	16,277	15,532	4.8%
ALBERTA VODKA (Canada)	13,678	12,522	9.2%
GIBSONS - FINEST 12 YEAR OLD (Canada)	12,374	11,681	5.9%
CANADIAN CLUB CANADIAN WHISKY (Canada)	12,068	10,909	10.6%
BAILEYS ORIGINAL IRISH CREAM (Ireland)	11,531	10,680	8.0%
BOLSKAYA VODKA (Canada)	11,268	11,355	-0.8%
ABSOLUT VODKA (Sweden)	10,886	9,903	9.9%

## Table Wine Sales by Country of Origin - Top 10

Dollar Sales (in \$000s)

Category	2004/05	2003/04	2002/03	2001/02	% Change 2004/05 vs 2003/04
CANADA	216,744	188,949	172,240	156,291	14.7%
AUSTRALIA	100,038	76,381	57,318	46,596	31.0%
UNITED STATES	52,850	46,285	46,728	48,585	14.2%
ITALY	38,366	40,846	39,331	33,152	-6.1%
FRANCE	30,771	32,103	32,503	32,948	-4.1%
CHILE	28,075	27,835	29,061	30,545	0.9%
SOUTH AFRICA	9,987	7,419	6,722	6,607	34.6%
ARGENTINA	7,077	5,006	3,970	4,424	41.4%
SPAIN	6,251	5,709	4,477	4,643	9.5%
GERMANY	5,089	4,974	4,745	4,660	2.3%

## Table Wine Sales by Country of Origin - Top 10

Litre Sales (in \$000s)

Category	2004/05	2003/04	2002/03	2001/02	% Change 2004/05 vs 2003/04
CANADA	20,474	18,944	17,807	16,773	8.1%
AUSTRALIA	6,502	4,977	3,690	3,006	30.6%
UNITED STATES	4,044	3,463	3,585	3,894	16.8%
ITALY	2,881	3,325	3,242	2,731	-13.4%
CHILE	2,517	2,531	2,651	2,780	-0.6%
FRANCE	1,964	2,085	2,332	2,424	-5.8%
SOUTH AFRICA	775	593	540	537	30.7%
ARGENTINA	630	438	323	356	43.8%
SPAIN	434	440	327	346	-1.4%
GERMANY	413	437	425	425	-5.5%

## Red Table Wine Brands - Top 10

Dollar Sales (in \$000s)

Brand Name	2004/05	2003/04	% Change vs Prev Year
YELLOW TAIL - SHIRAZ (Australia)	9,552	5,477	74.4%
WOLF BLOSS YELLOW LABEL - CAB.SAUVIGNON (Australia)	5,286	5,447	-3.0%
JACKSON TRIGGS - PROPRIETORS SELECTION MERLOT (Canada)	4,772	4,665	2.3%
SAWMILL CREEK - BARREL SELECT MERLOT (Canada)	3,601	3,265	10.3%
MISSION HILL - SONORA RANCH MERLOT (Canada)	3,267	3,265	0.1%
YELLOW TAIL - MERLOT (Australia)	3,041	1,532	98.5%
JACKSON TRIGGS - PROPRIETORS SELECTION CABERNET SAUVIGNON (Canada)	3,018	3,003	0.5%
FARNESE DAUNIA - SANGIOVESE (Italy)	2,970	6,433	-53.8%
MISSION RIDGE - PREMIUM DRY RED (Canada)	2,701	2,544	6.2%
DOMAINE D'OR - RED (Canada)	2,445	2,122	15.2%

## White Table Wine Brands - Top 10

Dollar Sales (in \$000s)

Brand Name	2004/05	2003/04	% Change vs Prev Year
DOMAINE D'OR (Canada)	4,739	4,874	-2.8%
MISSION RIDGE - PREMIUM DRY (Canada)	4,126	3,801	8.6%
SAWMILL CREEK - BARREL SELECT(Canada)	4,098	3,638	12.6%
LINDEMANS BIN 65 - CHARDONNAY (Australia)	3,597	3,192	12.7%
SCHLOSS LADERHEIM (Canada)	3,392	3,293	3.0%
JACKSON TRIGGS - PROPRIETORS SELECTION SAUVIGNON BLANC (Canada)	3,248	2,624	23.8%
YELLOW TAIL - CHARDONNAY (Australia)	3,233	1,545	109.3%
JACKSON TRIGGS - PROPRIETORS SELECTION CHARDONNAY (Canada)	3,157	3,042	3.8%
HOCHTALER (Canada)	2,670	2,646	0.9%
SOLA (Canada)	2,404	1,900	26.5%

## British Columbia VQA Table Wines - Top 10

Dollar Sales (in \$000s)

Brand Name	2004/05	2003/04	% Change vs Prev Year
MISSION HILL - FIVE VINEYARDS CABERNET MERLOT	1,495	1,380	8.3%
BURROWING OWL - MERLOT	1,248	817	52.8%
SUMAC RIDGE - PRIVATE RESERVE GEWURZTRAMINER	1,187	1,050	13.0%
BURROWING OWL - PINOT GRIS	1,117	1,032	8.2%
TINHORN CREEK - MERLOT	1,067	1,024	4.2%
SANDHILL - MERLOT	887	560	58.4%
MISSION HILL - FIVE VINEYARDS PINOT GRIGIO	850	1,081	-21.4%
MISSION HILL - FIVE VINEYARDS PINOT BLANC	790	758	4.2%
MISSION HILL - RESERVE CHARDONNAY	766	830	-7.7%
MISSION HILL - FIVE VINEYARDS MERLOT	765	624	22.6%

## Refreshment Beverage Brands - Top 10

Dollar Sales (in \$000s)

Brand Name	2004/05	2003/04	% Change vs Prev Year
SMIRNOFF - ICE	13,097	16,189	-19.1%
GROWERS CIDER CO. - EXTRA DRY APPLE	4,274	3,946	8.3%
MIKE'S - HARD LEMONADE	3,451	3,838	-10.1%
GROWERS CIDER CO. - NATURAL PEACH	3,330	3,100	7.4%
BACARDI BREEZER - TROPICAL ORANGE SMOOTHIE	3,316	2,280	45.4%
MIKE'S - HARD CRANBERRY LEMONADE	2,260	2,591	-12.8%
BACARDI BREEZER - ISLAND PINEAPPLE	2,107	312	575.3%
SMIRNOFF - ICE TRIPLE BLACK	2,091	3,387	-38.3%
GROWERS CIDER CO. - RED RUBY GRAPEFRUIT	2,080	1,932	7.7%
OKANAGAN PREMIUM - CRISP APPLE	1,932	2,147	-10.0%

## Glossary

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### **Agency Stores**

Privately-operated liquor outlets appointed under Section 18(5) of the *Liquor Distribution Act*. These include rural agency stores, independent wine stores, and BC liquor manufacturer's stores.

### **Agent**

An individual, partnership or company representing a supplier in accordance with a letter of authorization accepted by the LDB, or an individual who is duly licensed pursuant to section 52 of the *Liquor Control and Licensing Act* to represent an authorized agent.

### **Beer**

A low-strength, alcoholic beverage made by fermenting a mash of malted grain, usually barley.

### **Beverage Alcohol**

Any potable liquid containing more than one per cent ethyl alcohol by volume.

### **Beverage Container Stewardship Program**

A program to collect and recycle deposit-bearing containers in support of provincial environmental regulations.

### **Brewery**

An establishment licensed to manufacture beer.

### **Brew Pub**

An establishment licensed to manufacture beer that is sold in an attached pub.

### **Business Continuity Plans**

Plans for the LDB remaining in business following the recovery from a natural disaster or other emergency events. These plans are updated frequently with specific measures and targets for tracking the updates.

### **Capital Assets**

An asset, whether tangible or intangible, intended for use by the LDB for more than a single fiscal year. Tangible assets have a physical identity such as land, buildings and equipment. Intangible assets do not have a physical identity (for example, goodwill).

### **Capital Expenditures**

Money spent to acquire or upgrade capital assets.

### **Cider**

A beverage made from fermented fruit juice.

### **Cooler**

Also known as refreshment beverages, these mixed, ready-to-serve drinks contain seven per cent or less alcohol by volume.

### **Deregulation**

Provincial government initiative to reduce unnecessary regulations, policies and procedures.

### **Distillery**

Establishments licensed to manufacture distilled liquor products such as whisky, rum, vodka, gin and liqueurs.

### **Distribution Centre**

A branch-operated facility that is used to store and supply products to government liquor stores and wholesale customers. The LDB has one distribution centre in Kamloops and one in Vancouver.

### **Draught Beer**

Beer that is dispensed from kegs.

### **Fiscal Year**

The start and end of the year for business and financial purposes. The LDB's fiscal year runs from April 1 to March 31.

### **Full Time Equivalent (FTE)**

The equivalent of one person working 1,827 hours in one year.

### **Government Liquor Store (GLS)**

The retailing arm of the LDB, these government-owned and operated liquor stores sell beverage alcohol to retail and wholesale customers. They are also referred to as BC Liquor Stores (BCLS).

### **Gross Margin**

Excess of sales over the inventory cost of the goods sold. Also called gross profit and can be expressed as a percentage of sales.

### **Gross Sales**

Total sales dollars, before any applicable discounts, brought in through LDB sales in the fiscal year.

### **Independent Wine Store**

A stand-alone wine store that sells imported and domestic wine, cider and wine coolers.

### **Inventory Turnover**

Inventory turnover ratio expresses the relationship between the cost of goods sold (or used) and the average inventory balance. It indicates the number of times the average inventory is sold during the year.

### **Licensee Retail Store (LRS)**

These private outlets are licensed to liquor primary licence holders by the Liquor Control and Licensing Branch to sell wine, beer, cider, coolers and spirits to the public.

### **Liquor Control and Licensing Branch (LCLB)**

The LCLB enforces the Liquor Control and Licensing Act, issues licences for the manufacturing and selling of liquor, and supervises the service of liquor in licensed establishments.

### **Liquor Distribution Branch (LDB)**

The LDB is responsible for the importation, warehousing, distribution and retailing of beverage alcohol in the province of British Columbia, and operates government liquor stores and distribution centres in the province. The LDB is also responsible for the appointment of private retail agency stores.

### **Liquor Reform Project**

The Liquor Reform Project began in July 2003 to help determine the future role of government in the retailing and distribution of liquor in British Columbia and to guide implementation of any changes adopted by government.

### **Net Income**

The total amount of profit that the LDB makes in the fiscal year.

### **Operating Expenses**

Expenses arising in the course of running a business.

### **Operating Income**

Income earned from operations.

### **Packaged Beer**

Any type of beer that is sold in cans or bottles.

### **Private Wine Store**

A private retail store, appointed under the *Liquor Distribution Act*, that sells wine. Most private wine stores are operated by British Columbia wineries.

### **Public Safety**

The LDB is charged with the responsibility of managing the beverage alcohol distribution and retailing system in such a way that maximum public safety relative to the use of the product is ensured. This includes ensuring beverage alcohol is not sold to minors or intoxicated persons and ensuring that the public is made aware of areas of risk such as alcohol and pregnancy.

### **Retail Customers**

Customers who buy beverage alcohol in government liquor stores for their own personal use. Also known as "Counter Customers."

### **Refreshment Beverages**

Includes ciders and coolers with alcohol contents of less than or equal to seven per cent.

### **Rural Agency Store**

Rural Agency Stores are general merchandise stores in rural communities that are authorized by the LDB to provide liquor service.

### **Service Plan**

A high-level planning document that summarizes for the public and stakeholders the core business of each Crown agency, the services provided, the actions planned and the expected results for each fiscal year.

### **Short Term Illness and Injury Plan (STIIP)**

A government plan that pays regular government employees a portion of their earnings in the event of short-term illness or injury.

### **Signature Stores**

Large government liquor stores with a wide selection of products, enhanced customer service, and an expanded choice of British Columbia wines. In the last fiscal year, Signature Stores have been opened in Burnaby, North Surrey and Penticton.

### **Spirit**

An alcoholic beverage that has been distilled, such as whisky, vodka, rum, tequila, gin and brandy.

### **Supplier**

A supplier is a manufacturer that provides beverage alcohol products to the LDB.

### **Ubrew/Uvin**

A business which provides the facilities, equipment and ingredients for customers to make their own beer, wine, cider or coolers.

### **Vintners Quality Alliance (VQA)**

A quality designation for wines administered by the British Columbia Wine Institute. British Columbia VQA wines are made entirely from grapes grown in British Columbia and are certified by a panel of experts.



**Wine**

An alcoholic beverage obtained by the fermentation of grapes or other fruit.

**Wholesale Customers**

Wholesale customers are private retail stores and licensed establishments that buy beverage alcohol from the LDB for resale.

**Workers' Compensation Board (WCB)**

The WCB provides financial, medical and rehabilitation assistance to workers who become disabled by occupational injury and disease.



## Contact Information


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For more information about the Liquor Distribution Branch, or to request more copies of this Annual Report, please contact the LDB Communications department:

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