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MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal 2006/07 was the LDB's 15th consecutive year of sales growth, with an average annual increase of 5.8 per cent. In comparison to the 2006/07-2008/09 Service Plan target, net income was \$840 million, an increase of \$40 million over last year and \$42 million over the target; gross sales were \$2.43 billion, an increase of \$185 million over last year and \$134 million over the target.

RESULTS OF OPERATIONS

Key Indices (all dollar figures in \$000s)

	Actual 2006/07	Budget 2006/07	Actual 2005/06	Change vs. 2005/06 Actual	Change vs. 2006/07 Budget
Gross Sales	2,434,445	2,300,596	2,249,527	184,918	133,849
Net Income	840,286	798,134	800,471	39,815	42,152
Capital Expenditures	22,496	27,000	19,017	3,479	(4,504)
Gross Margin %	44.81%	45.60%	45.47%	-0.66%	-0.79%
Operating Income to Sales	34.28%	34.45%	34.70%	-0.42%	-0.17%
Operating Expenses to Sales	10.53%	11.16%	10.78%	-0.25%	-0.63%
Net Income to Sales	34.52%	34.76%	35.58%	-1.06%	-0.24%
Inventory Turnover	16.6 times	15.6 times	15.7 times	0.9 times	1 time
Counter Customer Count (000s)	37,868	n/a	37,963	(95)	n/a
Average Transaction \$ Value	\$28.95	\$27.87	\$27.22	\$1.73	\$1.08
FTE Count	2,749	2,703	2,630	119	46

Gross dollar sales grew in all categories with accompanying volume increases except for draught beer. The strong provincial economy was a major contributing factor to the sales increases, along with extremely good weather throughout the summer selling period and increased private sector participation.

Private sector stores, licensee retail stores (LRSs) and agency stores purchase 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 34.1 per cent to 36.3 per cent. The effect of the change in market share reduced LDB gross margin by approximately 0.3 per cent.

Capital expenditures increased to \$22.5 million from \$19.0 million in the previous year. Capital expenditures were related to enhancing the store system, upgrading information systems and for ongoing operational capital needs.

During fiscal 2006/07, the customer count at government liquor stores (GLSs) declined by 0.3 per cent, or 95,000 customers, due to the increased number of private stores and seven fewer GLSs. The average retail customer transaction value at GLSs, however, increased to \$28.95 from \$27.22. This can be attributed to customers purchasing or trading up to more premium products.

Operating expenses were 10.5 per cent of sales for the fiscal year, which is 0.3 per cent less than fiscal 2005/06. The reduction in the operating expense ratio is attributable to: efficiencies in the store system through close monitoring of staffing schedules; the effect of the recording of the one-time signing bonus in 2005/06; increased direct distribution to private stores from the distribution centres and private warehouses; and amortization not realized due to capital expenditure completion timing.

LDB net income as a percentage of sales decreased to 34.5 per cent from 35.6 per cent in the previous year due to the increase in discounts paid to private retail stores, increased cost of products and a decrease in other income as a result of the accounting for the signing bonus in the previous year. Discounts to licensee retail stores increased to 16 per cent from 13 per cent during the last two financial periods of the year.

Overall inventory turns for the LDB improved by 0.9 times, from 15.7 to 16.6 times. This indicates that the average number of days that the LDB holds inventory went from 23 to 22 days. Inventory turns at the LDB's distribution centres went from 25.3 to 26.6 turns, while at GLSs it went from 18.3 to 15.9 turns. This reflects the effect of increased direct shipments from the LDB distribution centres to large wholesale customers and the impact of a greater assortment of product in the GLSs to service the retail customers.

Sales (\$000s)	Actual 2006/07	Budget 2006/07	Actual 2005/06	Change vs. 2005/06 Actual	Change vs. 2006/07 Budget
Product					
Spirits	656,904	626,583	606,559	50,345	30,321
Wine	616,990	602,997	548,030	68,960	13,993
Packaged Beer	922,263	850,247	866,742	55,521	72,016
Draught Beer	124,332	119,419	121,596	2,736	4,913
Cider/Coolers	102,724	90,266	94,865	7,859	12,458
Special Orders/Non-alcoholic	11,232	11,084	11,735	(503)	148
	2,434,445	2,300,596	2,249,527	184,918	133,849
Sales Litres (000s)					
Product					
Spirits	24,397	24,014	23,368	1,029	383
Wine	48,217	50,371	44,827	3,390	(2,154)
Packaged Beer	233,328	223,001	224,486	8,842	10,327
Draught Beer	45,896	45,875	46,126	(230)	21
Cider/Coolers	21,190	18,636	19,717	1,473	2,554
Special Orders/Non-alcoholic	194	212	201	(7)	(18)
	373,222	362,109	358,725	14,497	11,113

Gross sales of \$2.4 billion represent an increase of 8.2 per cent over last year's \$2.2 billion, and an increase of 5.8 per cent over budget. All major product categories experienced growth in dollar sales over last year. The largest percentage dollar increase was in the wine category at 12.6 per cent or \$69 million. Sales in the spirits category increased by \$50.3 million or 8.3 per cent. Packaged beer recorded a sales increase of \$55.5 million or 6.4 per cent. Cider and coolers increased by \$7.8 million or 8.3 per cent after experiencing a decline in the previous year. Draught beer was up \$2.7 million or 2.3 per cent in dollar sales.

Volume sales increased in all major categories except draught beer. The wine category had the largest percentage volume increase at 7.6 per cent over the previous year, followed closely by the refreshment category of ciders and coolers, who rebounded with a 7.5 per cent increase after a slight decline the previous year. Spirit volume increased by 4.4 per cent and packaged beer by 3.9 per cent while draught beer declined by 0.5 per cent.

Overall, imported products had a larger percentage increase in both dollar sales and volume over the previous year.

KEY FINANCIAL AND OPERATING STATISTICS

For the five years ended March 31, 2007 (all dollar figures in \$000s)	Actual 2006/07	Budget 2006/07	Actual 2005/06	Actual 2004/05	Actual 2003/04
Sales	2,434,445	2,300,596	2,249,527	2,148,383	1,998,223
Cost of Sales	1,197,690	1,127,818	1,101,656	1,048,602	992,225
Gross Margin	1,090,834	1,049,171	1,022,929	1,008,494	936,535
Gross Margin (%)	44.81%	45.60%	45.47%	46.9%	46.9%
Operating Expenses	256,302	256,637	242,428	240,045	214,276
Operating Expenses to Sales (%)	10.53%	11.16%	10.78%	11.2%	10.8%
Operating Income	834,532	792,534	780,501	768,449	721,259
Operating Income to Sales (%)	34.28%	34.45%	34.70%	35.8%	36.1%
Net Income	840,286	798,134	800,471	778,594	726,710
Net Income to Sales (%)	34.52%	34.69%	35.58%	36.2%	36.4%
Inventory Turnover	16.6	15.6	15.7	15.2	14.8

Data source: LDB Oracle Financial System

PROVINCIAL SALES BY SOURCE

For the five years ended March 31, 2007 (as a percentage of total dollar sales)	2006/07	2005/06	2004/05	2003/04	2002/03
Counter Sales					
Government Liquor Stores (%)	44.9%	46.7%	50.5%	54.0%	56.4%
Licensee Retail Stores (%)	30.7%	28.5%	24.7%	20.8%	18.2%
Agency Stores (%)	5.6%	5.6%	5.5%	5.5%	4.5%
Total Counter Sales (%)	81.2%	80.8%	80.7%	80.3%	79.1%
Licensed Establishments	18.8%	19.2%	19.3%	19.7%	20.9%
Total Sales (%)	100.0%	100.0%	100.0%	100.0%	100.0%

COUNTER SALES BY SOURCE

For the five years ended March 31, 2007 (as a percentage of total dollar sales)	2006/07	2005/06	2004/05	2003/04	2002/03
Counter Sales					
Government Liquor Stores (%)	55.3%	57.8%	62.5%	67.2%	71.3%
Licensee Retail Stores (%)	37.8%	35.3%	30.6%	25.9%	23.0%
Agency Stores (%)	6.9%	6.9%	6.9%	6.9%	5.7%
Total Counter Sales Market (%)	100.0%	100.0%	100.0%	100.0%	100.0%

Data source: LDB Oracle Financial System

REMITTANCES TO GOVERNMENT AGENCIES

For the five years ended March 31, 2007 (\$000s)	2006/07	2005/06	2004/05	2003/04	2002/03
Federal Government					
Custom Duties and Excise Tax	133,612	127,912	126,905	125,811	108,877
Goods and Services Tax	144,158	150,690	145,201	135,958	129,088
Total	277,770	278,602	272,106	261,769	237,965
Provincial Government					
LDB Net Income	840,286	800,471	778,594	726,710	654,217
Social Services Tax	109,244	105,362	108,199	108,089	105,100
Total	949,530	905,833	886,793	834,799	759,317
Municipal Government					
Property Taxes	5,592	5,181	4,985	4,702	4,827
Total Remittances	1,232,892	1,189,616	1,163,884	1,101,270	1,002,109

FUTURE OUTLOOK

Management Future Outlook

Wines and spirits are expected to continue their strong growth trend over the next three fiscal years while other product group sales volumes are expected to remain flat relative to 2006/07.

The licensee retail store (LRS) system is expected to continue its expansion and growth in market share, however at a reduced rate with fewer new stores opening. The LRSs' discount increased from 13 to 16 per cent effective January 28, 2007. The impact of this change on market share will depend on the LRSs' pricing strategies. Any increases in LRS market share and discount rate will reduce operating income; however the effect may be offset should sales increase as a result of the expansion of stores.

Operating expenses will rise due to negotiated labour rate increases. The LDB is currently in its second year of its four-year contract which expires March 31, 2010. Operating costs are also expected to increase due to increasing store lease costs and higher capital expenditure amortization costs. Variable costs for product-handling and freight, along with commission costs from increased use of bank cards, will result in higher operating costs as sales increase. As a result, operating expenses as a percentage of sales are budgeted at 11 per cent for 2007/08.

The LDB will be undertaking an Enterprise Risk Assessment to ensure that all major risks, financial and non-financial, have been identified and ranked. Plans will be developed to address and mitigate the key risks identified as a result of the assessment.

The LDB has a number of initiatives and projects underway to address the service and reporting requirements of the wholesale and retail segments of the business.

Financial Outlook

PROJECTED INCOME, EXPENSES, CAPITAL REQUIREMENTS AND FTES

(ALL DOLLAR FIGURES IN \$000s)

	Budget 2007/08	Forecast 2008/09	Forecast 2009/10
Total Sales	2,453,356	2,510,133	2,555,134
Commissions and Discounts	159,749	163,419	166,379
Cost of Sales	1,218,961	1,248,838	1,273,251
Operating Expenses	270,194	275,510	282,145
Other Income	5,600	5,600	5,600
Net Income	810,051	827,966	838,959
Capital Requirements	17,500	14,000	14,000
FTEs	2,658	2,680	2,700

Key Forecast Assumptions

Forecast assumptions, based on market trends by product categories, include overall sales increases of 2.8 per cent, 2.3 per cent and 1.8 per cent over the next three years per the 2007/08 – 2009/10 Service Plan. The LDB reviews and updates its financial forecasts quarterly and during the annual budgeting process, based on the actual results and sales trends experienced.

Discount increases reflect a 1.5 per cent market-share shift to private outlets in fiscal 2007/08 and a stabilized market share thereafter. Capital requirements include expenditures for updating and improving stores, technology-related projects and ongoing equipment replacement.

RISK MANAGEMENT

The LDB Executive Management Committee meets monthly to discuss service plan performance, risks and mitigating strategies.

2007/08 Risk Factors and Sensitivities	Mitigating Strategies
<p>Liquor is a discretionary consumer product and an unexpected downturn in the economy could negatively affect LDB sales projections.</p>	<p>The LDB carefully monitors sales and will make necessary adjustments to sales strategies and operating expenses in order to achieve net income targets.</p>
<p>Liquor sales are negatively impacted by poor weather.</p>	<p>The LDB carefully monitors sales and will make necessary adjustments to sales strategies and operating expenses in order to achieve net income targets.</p>
<p>Liquor is a high-value product and is susceptible to illicit activity such as cross-border smuggling and theft.</p>	<p>The LDB works with appropriate municipal, provincial and federal enforcement agencies to identify and address illicit activity.</p>
<p>Shifts in sales from LDB stores to private stores increase the cost of discounts applied to private store purchases.</p>	<p>The LDB carefully monitors discount costs and will make necessary adjustments to sales strategies and operating expenses.</p>
<p>Unforeseen events such as natural disasters may disrupt business at any time.</p>	<p>The LDB is continuously improving upon and testing its Business Continuity Plan.</p>
<p>A number of knowledgeable, experienced employees are reaching retirement age.</p>	<p>The LDB is developing succession plans for key positions and continuing to provide necessary on-the-job training.</p>

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



Jay Chambers
General Manager



Roger M. Bissoondatt, CA, CMA
Executive Director, Finance

Vancouver, British Columbia
May 18, 2007



Report of the
Office 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, 2007 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Victoria, British Columbia
May 18, 2007

Errol Price, CA
Deputy Auditor General

AUDITED FINANCIAL STATEMENTS

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

BALANCE SHEET

(in \$000s)

As at March 31,	2007	2006
		(note 13)
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,120	\$ --
Accounts receivable	4,779	16,936
Inventories	72,786	71,268
Prepaid expenses	5,709	7,352
Due from Province of British Columbia	29,208	41,807
	<u>117,602</u>	<u>137,363</u>
 CAPITAL ASSETS (note 3)	 43,120	 28,327
	<u>\$ 160,722</u>	<u>\$ 165,690</u>
 LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	\$ --	\$ 11,762
Accounts payable and accrued liabilities	157,327	149,149
Restructuring costs (note 11)	--	31
Current portion of deferred tenant allowances (note 5)	69	6
Current portion of tenant improvement loans (note 6)	705	844
Current portion of capital leases (note 7)	461	393
	<u>158,562</u>	<u>162,185</u>
 LONG TERM LIABILITIES		
Deferred tenant allowances (note 5)	283	272
Tenant improvement loans (note 6)	1,618	2,643
Obligations under capital leases (note 7)	259	590
	<u>\$ 160,722</u>	<u>\$ 165,690</u>

Commitments and contingent items (notes 8 & 9)

Approved by:



General Manager



Executive Director, Finance

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

STATEMENT OF OPERATIONS

(in \$000s)

Year Ended March 31,	2007		2006	
Sales (note 4)	\$	2,434,445	\$	2,249,527
Less commissions & discounts		<u>145,921</u>		<u>124,942</u>
		2,288,524		2,124,585
Cost of merchandise sold		<u>1,197,690</u>		<u>1,101,656</u>
Gross margin		1,090,834		1,022,929
Operating expenses (schedule)		<u>256,302</u>		<u>242,428</u>
		834,532		780,501
Other income		<u>5,754</u>		<u>19,970</u>
Net income	\$	<u>840,286</u>	\$	<u>800,471</u>

STATEMENT OF ADVANCE DUE FROM PROVINCE OF BRITISH COLUMBIA

(in \$000s)

Year Ended March 31,	2007		2006	
Balance beginning of year	\$	41,807	\$	54,356
Net income		(840,286)		(800,471)
Payments to Province of British Columbia		<u>827,687</u>		<u>787,922</u>
Balance end of year	\$	<u>29,208</u>	\$	<u>41,807</u>

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

STATEMENT OF CASH FLOWS

(in \$000s)

Year Ended March 31,	2007	2006
		(note 13)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 2,300,680	\$ 2,117,115
Cash payments to Provincial Treasury	(827,687)	(787,922)
Cash paid to suppliers and employees	(1,437,713)	(1,331,477)
Cash receipts from other income	5,629	18,913
Interest paid on capital lease and loans	(337)	(482)
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	40,572	16,147
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets excluding capital projects	(16,950)	(11,720)
Acquisition of capital project assets	(5,546)	(7,296)
Proceeds from disposal of capital assets	126	110
Disposal of Land	--	952
	<hr/>	<hr/>
CASH FLOWS (USED IN) INVESTING ACTIVITIES	(22,370)	(17,954)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred tenant allowances	107	--
Payment on capital leases	(263)	(355)
Tenant improvement loans	(1,164)	(1,039)
	<hr/>	<hr/>
CASH FLOWS (USED IN) FINANCING ACTIVITIES	(1,320)	(1,394)
NET INCREASE (DECREASE) IN CASH	16,882	(3,201)
(BANK INDEBTEDNESS) BEGINNING OF YEAR	(11,762)	(8,561)
	<hr/>	<hr/>
CASH (BANK INDEBTEDNESS) END OF YEAR	\$ 5,120	\$ (11,762)

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

SCHEDULE OF OPERATING EXPENSES

(in \$000s)

Year Ended March 31,	2007	2006
		(note 13)
Salaries, wages and benefits (note 10)	\$ 144,753	\$ 145,229
Rents	30,557	28,003
Professional services	6,450	4,836
Repairs and maintenance	6,153	4,971
Freight to stores	7,187	5,851
Amortization	7,703	8,233
Light, water and fuel	2,624	2,454
Beverage container costs	13,977	11,663
Other operating expenses	4,898	4,451
Stationery and supplies	2,957	2,651
Merchandising	3,329	2,029
Bank charges	14,095	11,254
Data processing	3,229	3,512
Telephone	3,479	3,390
Travel	956	802
Loss prevention	2,331	1,444
Warehouse equipment costs	1,287	1,172
Interest on long term liabilities	337	482
	<u>\$ 256,302</u>	<u>\$ 242,428</u>

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2007

(Tabular amounts in \$000s)

I. 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 historical 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.

Information systems

25 per cent per annum.

Leasehold improvements and capital projects

All material costs of construction and development for leasehold improvements and capital projects are treated as assets under Construction in Process accounts. At the point in time when the project is substantially completed the costs are capitalized into their applicable categories and amortized at the asset category rate.

Leases

Assets recorded as capital leases are capitalized and amortized at the applicable asset category rate. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2007

(Tabular amounts in \$000s)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Revenue Recognition

Revenue is recognized when the sale of product is made to customers.

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

	Cost	Accumulated Amortization	Net Book Value	2006 Net Book Value (note 13)
Land	1,068	--	1,068	1,068
Buildings	18,419	17,118	1,301	1,564
Leasehold improvements	33,387	17,096	16,291	11,229
Furniture, fixtures, vehicles & equipment	19,171	16,482	2,689	2,395
Office furnishings under capital lease	3,627	3,385	242	484
Information systems	67,933	61,535	6,398	5,517
Construction in process	15,131	--	15,131	6,070
	158,736	115,616	43,120	28,327

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.

	2007		2006	
Retail customers	\$	1,092,223	\$	1,050,384
Licensee retail stores		746,406		641,548
Agency stores		137,267		126,231
Licensed establishments		458,549		431,364
	\$	2,434,445	\$	2,249,527

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2007

(Tabular amounts in \$000s)

5. DEFERRED TENANT ALLOWANCES

Certain leasing agreements include incentives or landlord funding to be used towards expenditures such as tenant improvements or relocation expenses. The value of these benefits are recorded and amortized over the term of the lease.

Year Ending March 31	2008	69
	2009	69
	2010	46
	2011	35
	2012	35
	Subsequent years	98
		<u>352</u>
	Current Portion	(69)
	Long Term	<u><u>283</u></u>

6. TENANT IMPROVEMENT LOANS

As at March 31, 2007 the Branch has tenant improvements loans of \$2.3 million financed through landlords. The range of interest rates is 4.25% to 11.75% with loans expiring from May 2007 to June 2014. The Principal payments due are as follows:

Year Ending March 31	2008	705
	2009	601
	2010	436
	2011	361
	2012	158
	Subsequent years	62
		<u>2,323</u>
	Current Portion	(705)
	Long Term	<u><u>1,618</u></u>

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2007

(Tabular amounts in \$000s)

7. OBLIGATIONS UNDER CAPITAL LEASES

In the fiscal year 1994, the Branch entered into a 15-year capital lease for certain head office tenant improvements and office furnishings. The following schedule includes the future minimum lease payments under that capital lease expiring July 31, 2008, together with the balance of the obligation under that capital lease. The schedule also includes information on additional capital leases for vehicles and operating equipment.

		Head Office	Vehicles	Equipment	Total
Year ending March 31	2008	475	6	32	513
	2009	158	5	32	195
	2010	--	5	31	36
	2011	--	5	31	36
	2012	--	5	--	5
	Subsequent years	--	5	--	5
	Total	633	31	126	790
	Imputed interest rate	10%	9%	9%	
	Interest	(43)	(7)	(20)	(70)
	Current Portion	(435)	(3)	(23)	(461)
	Long Term	155	21	83	259

8. COMMITMENTS

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

Year Ending March 31	2008	21,677
	2009	17,304
	2010	13,765
	2011	11,339
	2012	8,257
	Subsequent years	28,091
		<u>100,433</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, 2007, the value of agents' inventories totalled approximately \$66.1 million (2006 - \$67.4 million) and the future liability for related federal excise taxes is \$12.9 million (2006 - \$11.7 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.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2007

(Tabular amounts in \$000s)

10. EMPLOYEES' 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, 2005 indicated an unfunded liability of \$767 million for basic pension benefits. The next valuation will be as at March 31, 2008 with results available in early 2009. The actuary does not attribute portions of the unfunded liability to individual employers. The Branch paid \$9.7 million for employer contributions to the plan in fiscal 2006/07.

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 \$9,346,532 (2006 – \$7,316,660) which represents future employees' retirement benefits outside of the Public Service Pension Plan. The expense adjustment recorded in the year is \$2,029,872 (2006 - \$270,790).

11. RESTRUCTURING COSTS

Provisions for severance costs under the Early Retirement Incentive (ERIP) and Voluntary Departure (VDP) programs were made in 2003 for planned store and distribution centre closures. In 2004, the government decided to continue to operate the retail and distribution system. Departures under the ERIP and VDP programs continued through 2006/07 and all remaining balances were used during the year.

	2007	2006
Opening balance beginning year	31	1,183
Used during the year	(31)	(525)
Reversal of accrual not required	--	(627)
Ending Balance	<u> </u> <u> </u>	<u> </u> <u> </u>

12. FINANCIAL INSTRUMENTS

The Liquor Distribution Branch's financial instruments consist of cash, accounts receivable, advance due to/from the Province of British Columbia, accounts payable and accrued liabilities, tenant improvement loan, and capital lease. 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.

13. COMPARATIVE FIGURES

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements.

The LDB implemented Oracle Financials in April 2006 including a new Chart of Accounts and the Fixed Asset module. The historical account values and asset balances were converted onto the new system using revised and standardized categorizations.

2006/07 STORE SALES BY REGION – UNAUDITED

Store Name	Store Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Ciders /Coolers	Spirits	Wine	Beer	Ciders /Coolers
VANCOUVER ISLAND/COAST											
Alert Bay	225	516,857	87,054	5,489	10,007	55,851	15,706	6.3%	11.5%	64.2%	18.0%
Bella Coola	232	1,111,171	172,437	13,883	20,206	123,153	15,196	8.1%	11.7%	71.4%	8.8%
Campbell River Stores											
Campbell River	05	12,862,467	1,379,009	212,479	314,716	698,508	153,306	15.4%	22.8%	50.7%	11.1%
Willow Point	185	2,924,908	434,206	37,474	65,104	298,639	32,989	8.6%	15.0%	68.8%	7.6%
Chemainus	206	2,051,084	286,548	26,824	53,773	183,355	22,596	9.4%	18.8%	64.0%	7.9%
Comox	235	6,842,914	755,498	104,568	207,308	358,354	85,269	13.8%	27.4%	47.4%	11.3%
Courtenay	10	13,326,222	1,570,402	185,424	370,772	848,173	166,033	11.8%	23.6%	54.0%	10.6%
Cumberland	08	1,223,817	184,499	16,545	18,673	127,114	22,167	9.0%	10.1%	68.9%	12.0%
Duncan	12	13,399,245	1,669,770	191,627	338,477	941,658	198,009	11.5%	20.3%	56.4%	11.9%
Gabriola Island	134	1,974,887	242,519	22,741	64,717	136,379	18,681	9.4%	26.7%	56.2%	7.7%
Ganges	204	5,507,805	559,429	61,437	189,663	268,339	39,990	11.0%	33.9%	48.0%	7.1%
Gold River	55	993,052	166,914	11,660	10,780	133,254	11,221	7.0%	6.5%	79.8%	6.7%
Ladysmith	24	4,771,494	623,514	71,673	119,821	361,484	70,536	11.5%	19.2%	58.0%	11.3%
Lake Cowichan	67	2,829,781	453,887	34,431	46,742	334,169	38,545	7.6%	10.3%	73.6%	8.5%
Mill Bay	173	5,269,266	603,836	73,839	144,622	329,760	55,615	12.2%	24.0%	54.6%	9.2%
Nanaimo Stores											
Harbour Park	33	5,611,632	683,931	82,951	151,557	375,611	73,811	12.1%	22.2%	54.9%	10.8%
Longwood Station	188	7,107,429	803,843	95,191	224,274	432,185	52,193	11.8%	27.9%	53.8%	6.5%
Terminal Park	243	19,818,299	1,903,331	349,102	489,850	824,284	240,094	18.3%	25.7%	43.3%	12.6%
Parksville Stores											
Parksville	42	5,947,308	700,651	74,871	189,863	392,258	43,659	10.7%	27.1%	56.0%	6.2%
Parksville North	157	7,350,856	827,977	112,967	204,860	401,668	108,481	13.6%	24.7%	48.5%	13.1%
Pender Island	155	1,991,850	238,470	19,819	62,636	133,123	22,892	8.3%	26.3%	55.8%	9.6%
Port Alberni	40	8,171,690	1,187,203	111,960	170,037	795,375	109,830	9.4%	14.3%	67.0%	9.3%
Port Alice	128	698,810	110,817	8,421	9,109	86,485	6,802	7.6%	8.2%	78.0%	6.1%
Port Hardy	236	4,056,411	672,899	46,541	68,161	493,424	64,773	6.9%	10.1%	73.3%	9.6%
Port McNeill	115	3,038,942	417,885	43,527	57,977	268,780	47,601	10.4%	13.9%	64.3%	11.4%
Powell River	41	8,387,991	1,001,374	130,201	219,963	514,149	137,061	13.0%	22.0%	51.3%	13.7%
Qualicum	34	5,987,903	709,714	81,222	200,047	376,921	51,525	11.4%	28.2%	53.1%	7.3%
Sidney	50	10,115,534	1,114,984	116,253	371,535	556,029	71,167	10.4%	33.3%	49.9%	6.4%
Sooke	229	4,115,685	543,536	54,800	100,131	334,755	53,850	10.1%	18.4%	61.6%	9.9%
Tahsis	56	305,895	47,214	4,100	5,117	35,259	2,738	8.7%	10.8%	74.7%	5.8%
Tofino	118	3,629,122	414,662	40,497	79,114	266,127	28,924	9.8%	19.1%	64.2%	7.0%
Ucluelet	216	2,136,496	334,369	21,634	40,708	251,646	20,382	6.5%	12.2%	75.3%	6.1%
Victoria (Greater) Stores											
Trafalgar Square	59	5,276,959	666,237	61,508	161,415	401,238	42,075	9.2%	24.2%	60.2%	6.3%
Esquimalt	68	2,339,924	347,324	28,536	59,477	234,523	24,788	8.2%	17.1%	67.5%	7.1%
Gorge and Tillicum	124	7,767,925	1,091,007	99,985	191,353	715,820	83,849	9.2%	17.5%	65.6%	7.7%
Langford	125	11,746,200	1,426,357	154,612	301,095	859,943	110,706	10.8%	21.1%	60.3%	7.8%
Cedar Hill	140	4,911,939	570,101	61,150	173,520	301,825	33,605	10.7%	30.4%	52.9%	5.9%
James Bay	150	3,754,955	456,908	42,514	130,851	258,330	25,212	9.3%	28.6%	56.5%	5.5%
Blanshard Square	161	6,356,694	871,374	74,096	160,298	575,064	61,916	8.5%	18.4%	66.0%	7.1%
Fairfield	178	5,158,446	552,059	49,512	208,074	268,155	26,318	9.0%	37.7%	48.6%	4.8%

2006/07 STORE SALES BY REGION – UNAUDITED

Store Name	Store Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Ciders /Coolers	Spirits	Wine	Beer	Ciders /Coolers
Broadmead Village	181	7,140,716	718,209	81,423	256,979	335,052	44,756	11.3%	35.8%	46.7%	6.2%
Victoria Bay Centre	184	4,565,945	505,005	60,083	112,051	284,923	47,948	11.9%	22.2%	56.4%	9.5%
Fort Street	218	18,553,043	1,715,688	156,226	607,520	870,159	81,784	9.1%	35.4%	50.7%	4.8%
Government Street Licensee	231	33,245,980	2,530,571	596,698	768,916	704,609	460,349	23.6%	30.4%	27.8%	18.2%
Saanich	242	5,170,068	655,910	61,366	162,462	389,979	42,105	9.4%	24.8%	59.5%	6.4%
MAINLAND/SOUTHWEST											
Abbotsford Stores											
Abbotsford Village	189	6,958,591	835,360	89,304	191,315	489,715	65,026	10.7%	22.9%	58.6%	7.8%
Clearbrook	149	10,571,921	1,090,878	156,262	281,359	570,805	82,453	14.3%	25.8%	52.3%	7.6%
Agassiz	64	3,736,839	430,970	61,313	78,908	223,525	67,225	14.2%	18.3%	51.9%	15.6%
Burnaby Stores											
Lougheed Plaza	77	11,350,391	1,337,480	161,274	292,109	801,888	82,209	12.1%	21.8%	60.0%	6.1%
Brentwood	187	4,294,867	511,729	53,124	111,029	318,874	28,702	10.4%	21.7%	62.3%	5.6%
South Burnaby	203	6,418,338	806,030	82,319	174,699	505,742	43,270	10.2%	21.7%	62.7%	5.4%
North Burnaby	217	7,899,767	1,037,762	87,285	220,574	675,937	53,966	8.4%	21.3%	65.1%	5.2%
Highgate Village	220	12,859,519	1,555,768	151,492	321,838	998,604	83,834	9.7%	20.7%	64.2%	5.4%
Chilliwack Stores											
Chilliwack	07	9,987,159	1,321,793	149,666	212,560	820,532	139,034	11.3%	16.1%	62.1%	10.5%
Sardis	170	10,525,571	1,325,219	156,846	254,479	788,811	125,083	11.8%	19.2%	59.5%	9.4%
Coquitlam Stores											
Como Lake	153	5,601,330	695,266	60,366	171,224	426,605	37,071	8.7%	24.6%	61.4%	5.3%
Austin Road	200	7,604,115	977,183	102,683	196,670	616,064	61,765	10.5%	20.1%	63.0%	6.3%
Delta Stores											
Ladner	25	8,370,134	1,011,555	103,340	264,545	587,407	56,262	10.2%	26.2%	58.1%	5.6%
Tsawwassen	98	8,023,366	879,461	83,334	299,701	459,739	36,687	9.5%	34.1%	52.3%	4.2%
Scottsdale	145	10,754,281	1,177,382	192,286	242,702	680,118	62,276	16.3%	20.6%	57.8%	5.3%
Gibson	80	6,893,554	852,032	83,843	200,180	504,519	63,490	9.8%	23.5%	59.2%	7.5%
Hope	71	4,037,350	609,359	56,275	65,697	426,421	60,966	9.2%	10.8%	70.0%	10.0%
Langley Stores											
Aldergrove	109	7,842,544	1,116,464	106,867	163,453	771,153	74,990	9.6%	14.6%	69.1%	6.7%
Langley	22	8,582,159	1,067,686	128,991	223,342	630,080	85,273	12.1%	20.9%	59.0%	8.0%
Fort Langley	127	2,340,512	336,221	25,707	57,795	230,025	22,693	7.6%	17.2%	68.4%	6.7%
Willowbrook	158	15,512,136	1,824,048	213,088	399,277	1,055,150	156,533	11.7%	21.9%	57.8%	8.6%
Walnut Grove	186	6,954,974	839,522	82,514	204,851	492,823	59,335	9.8%	24.4%	58.7%	7.1%
Lillooet	23	1,968,360	290,508	26,306	30,376	192,646	41,180	9.1%	10.5%	66.3%	14.2%
Madeira Park	93	2,392,829	308,242	28,631	64,108	188,261	27,242	9.3%	20.8%	61.1%	8.8%
Maple Ridge Stores											
Haney	65	10,436,658	1,319,002	149,285	265,868	798,386	105,463	11.3%	20.2%	60.5%	8.0%
West Maple Ridge	164	3,356,860	456,552	44,487	84,176	285,998	41,891	9.7%	18.4%	62.6%	9.2%
Mission Plaza	27	10,769,305	1,381,829	169,475	213,779	848,270	150,305	12.3%	15.5%	61.4%	10.9%
New Westminister Stores											
New Westminister	31	10,951,912	1,414,414	155,723	241,141	915,206	102,343	11.0%	17.0%	64.7%	7.2%
Royal Square	97	6,437,944	788,821	85,622	184,937	464,051	54,212	10.9%	23.4%	58.8%	6.9%

2006/07 STORE SALES BY REGION – UNAUDITED

Store Name	Store Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Ciders /Coolers	Spirits	Wine	Beer	Ciders /Coolers
North Vancouver Stores											
Westview	107	13,249,190	1,515,954	127,521	432,966	884,169	71,298	8.4%	28.6%	58.3%	4.7%
Dollarton Village	133	6,407,565	703,111	59,101	233,952	376,578	33,480	8.4%	33.3%	53.6%	4.8%
Capilano Mall	152	9,768,124	1,004,947	125,964	328,399	468,576	82,009	12.5%	32.7%	46.6%	8.2%
North Vancouver Esplanade	196	5,429,928	684,009	56,194	158,759	435,269	33,787	8.2%	23.2%	63.6%	4.9%
Lynn Valley	247	12,327,571	1,443,521	123,638	431,376	799,712	88,794	8.6%	29.9%	55.4%	6.2%
Pemberton	101	2,951,052	488,025	23,816	52,178	369,394	42,637	4.9%	10.7%	75.7%	8.7%
Pitt Meadows	165	10,214,003	1,163,081	137,308	268,939	662,011	94,823	11.8%	23.1%	56.9%	8.2%
Port Coquitlam Stores											
Port Coquitlam	11	4,638,888	610,199	65,361	103,153	381,056	60,629	10.7%	16.9%	62.4%	9.9%
Prairie Mall	89	5,354,819	761,281	63,582	124,067	523,932	49,701	8.4%	16.3%	68.8%	6.5%
Westwood Centre	163	21,322,856	2,364,165	253,367	568,086	1,391,544	151,168	10.7%	24.0%	58.9%	6.4%
Port Moody	205	5,883,519	710,420	69,349	180,581	409,287	51,203	9.8%	25.4%	57.6%	7.2%
Richmond Stores											
Brighouse	76	12,574,423	1,394,867	139,971	340,585	858,012	56,299	10.0%	24.4%	61.5%	4.0%
Ironwood	120	7,962,747	883,124	94,681	229,201	516,093	43,149	10.7%	26.0%	58.4%	4.9%
Blundell	176	2,422,705	289,009	27,700	77,229	167,419	16,661	9.6%	26.7%	57.9%	5.8%
Richmond SeaFair	244	9,347,317	1,088,106	110,246	305,301	618,573	53,987	10.1%	28.1%	56.8%	5.0%
Sechelt	230	7,256,650	854,731	89,238	229,021	477,935	58,537	10.4%	26.8%	55.9%	6.8%
Squamish	208	8,379,857	1,059,748	103,782	185,170	674,329	96,467	9.8%	17.5%	63.6%	9.1%
Surrey Stores											
Cloverdale	70	8,764,013	1,037,904	137,861	197,799	594,348	107,896	13.3%	19.1%	57.3%	10.4%
Ocean Park	110	6,307,138	659,711	64,046	227,582	339,112	28,971	9.7%	34.5%	51.4%	4.4%
Whalley	122	8,592,700	1,212,621	139,184	128,028	845,173	100,235	11.5%	10.6%	69.7%	8.3%
Newton	172	12,556,137	1,398,938	258,055	192,680	849,887	98,316	18.4%	13.8%	60.8%	7.0%
Fleetwood	182	14,395,654	1,667,417	227,370	299,228	1,041,434	99,385	13.6%	17.9%	62.5%	6.0%
Peninsula Village	183	13,535,793	1,508,887	137,338	451,793	849,307	70,449	9.1%	29.9%	56.3%	4.7%
Guildford	240	8,112,694	1,019,518	113,942	194,460	648,285	62,831	11.2%	19.1%	63.6%	6.2%
Nordel Crossing	241	15,820,706	1,794,716	274,652	281,056	1,131,541	107,466	15.3%	15.7%	63.0%	6.0%
Vancouver Stores											
Marpole	38	6,601,318	818,183	71,857	187,996	515,685	42,645	8.8%	23.0%	63.0%	5.2%
Harbour Centre	53	6,112,199	723,118	77,334	123,584	467,103	55,096	10.7%	17.1%	64.6%	7.6%
Hastings and Slocan	58	7,614,821	1,077,873	87,258	162,996	741,803	85,817	8.1%	15.1%	68.8%	8.0%
Jericho Village	90	10,389,123	1,098,715	103,188	338,197	607,301	50,029	9.4%	30.8%	55.3%	4.6%
Bute Street	94	9,279,964	1,087,375	126,689	215,404	667,993	77,290	11.7%	19.8%	61.4%	7.1%
Broadway & Lillooet Licensee	100	281,598,330	17,518,690	5,552,836	6,121,145	1,853,836	3,990,872	31.7%	34.9%	10.6%	22.8%
Dunbar	102	10,470,177	967,850	69,102	365,882	495,675	37,191	7.1%	37.8%	51.2%	3.8%
Commercial Drive	111	10,940,540	1,319,364	105,332	312,387	825,905	75,740	8.0%	23.7%	62.6%	5.7%
Cardero	112	14,123,080	1,628,029	158,350	421,911	959,268	88,499	9.7%	25.9%	58.9%	5.4%
Collingwood	113	12,541,011	1,746,217	152,534	251,670	1,257,907	84,106	8.7%	14.4%	72.0%	4.8%
Broadway Maple	117	16,893,301	1,878,183	156,099	544,025	1,097,950	80,109	8.3%	29.0%	58.5%	4.3%
Kingsgate Mall	123	9,997,863	1,500,032	109,406	201,025	1,097,670	91,930	7.3%	13.4%	73.2%	6.1%
Thurlow	129	26,847,622	2,368,021	279,482	631,645	1,338,815	118,080	11.8%	26.7%	56.5%	5.0%

2006/07 STORE SALES BY REGION – UNAUDITED

Store Name	Store Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Ciders /Coolers	Spirits	Wine	Beer	Ciders /Coolers
Arbutus	136	6,019,485	508,370	57,079	233,382	196,932	20,976	11.2%	45.9%	38.7%	4.1%
39th and Cambie	160	36,240,147	2,694,968	286,560	945,198	1,357,252	105,958	10.6%	35.1%	50.4%	3.9%
8th & Cambie	177	8,325,821	890,373	74,967	266,170	506,153	43,083	8.4%	29.9%	56.8%	4.8%
Yaletown	191	4,780,294	403,519	44,693	123,821	219,288	15,718	11.1%	30.7%	54.3%	3.9%
UBC Marketplace	192	2,825,054	361,521	29,167	60,173	253,541	18,641	8.1%	16.6%	70.1%	5.2%
Champlain Mall	194	4,905,041	632,873	60,277	136,792	399,640	36,165	9.5%	21.6%	63.1%	5.7%
Kerrisdale	210	3,307,636	326,630	28,819	117,502	165,037	15,273	8.8%	36.0%	50.5%	4.7%
28th and Main	237	5,666,180	753,711	63,924	130,901	526,263	32,623	8.5%	17.4%	69.8%	4.3%
Festival Store	281	435,134	12,762	6	12,756	0	0	0.0%	100.0%	0.0%	0.0%
Broadway & Lillooet	300	9,293,193	1,328,101	81,725	225,852	967,242	53,281	6.2%	17.0%	72.8%	4.0%
West Vancouver Stores											
Ambleside	72	6,115,719	541,396	57,760	261,371	204,663	17,602	10.7%	48.3%	37.8%	3.3%
Caulfield	175	7,824,190	657,211	63,885	288,617	267,167	37,541	9.7%	43.9%	40.7%	5.7%
Park Royal	228	25,776,870	1,727,117	184,963	811,911	665,300	64,944	10.7%	47.0%	38.5%	3.8%
Whistler Stores											
Whistler Market Place	179	11,379,000	1,097,816	84,833	295,669	668,570	48,743	7.7%	26.9%	60.9%	4.4%
Whistler Creekside	195	2,419,486	277,034	17,311	60,604	187,292	11,826	6.2%	21.9%	67.6%	4.3%
Whistler	302	7,736,472	860,929	88,886	142,613	577,479	51,951	10.3%	16.6%	67.1%	6.0%
White Rock	06	10,718,107	1,117,585	143,497	360,502	540,023	73,563	12.8%	32.3%	48.3%	6.6%
THOMPSON/OKANAGAN											
Armstrong	215	1,995,977	245,927	33,667	46,139	137,003	29,118	13.7%	18.8%	55.7%	11.8%
Ashcroft	02	1,057,847	172,558	13,648	17,327	128,840	12,743	7.9%	10.0%	74.7%	7.4%
Barriere	138	1,488,296	249,779	19,071	17,955	189,850	22,903	7.6%	7.2%	76.0%	9.2%
Cache Creek	60	1,235,152	188,016	17,919	15,397	133,819	20,880	9.5%	8.2%	71.2%	11.1%
Chase	226	2,973,788	392,980	48,816	46,989	233,109	64,066	12.4%	12.0%	59.3%	16.3%
Clearwater	88	2,479,055	353,690	34,557	42,979	235,748	40,406	9.8%	12.2%	66.7%	11.4%
Clinton	201	1,142,949	181,607	15,423	12,758	139,223	14,203	8.5%	7.0%	76.7%	7.8%
Enderby	49	2,423,026	310,080	42,916	38,754	175,926	52,484	13.8%	12.5%	56.7%	16.9%
Golden	16	4,885,896	624,233	63,167	81,070	437,758	42,239	10.1%	13.0%	70.1%	6.8%
Kamloops Stores											
Columbia Place	79	16,582,042	1,766,921	235,724	422,168	950,911	158,118	13.3%	23.9%	53.8%	8.9%
Westside	147	1,479,358	229,736	20,356	23,940	168,372	17,067	8.9%	10.4%	73.3%	7.4%
Kamloops North	223	14,384,864	1,789,704	259,230	233,100	1,060,288	237,086	14.5%	13.0%	59.2%	13.2%
Kelowna Stores											
Gordon & Harvey	103	3,780,970	506,521	54,661	97,946	319,281	34,633	10.8%	19.3%	63.0%	6.8%
Westbank	143	10,732,190	1,384,980	156,856	252,903	853,311	121,910	11.3%	18.3%	61.6%	8.8%
Mission Park	148	7,947,455	954,568	100,459	239,987	552,796	61,326	10.5%	25.1%	57.9%	6.4%
Orchard Park	167	32,410,056	3,035,723	518,774	762,709	1,427,659	326,581	17.1%	25.1%	47.0%	10.8%
Keremeos	19	1,731,529	225,194	28,716	34,268	132,944	29,266	12.8%	15.2%	59.0%	13.0%
Logan Lake	139	862,230	118,253	14,151	15,710	79,004	9,389	12.0%	13.3%	66.8%	7.9%
Lumby	214	2,107,680	282,600	35,715	29,561	175,993	41,331	12.6%	10.5%	62.3%	14.6%
Lytton	209	731,038	127,964	7,465	11,358	98,273	10,868	5.8%	8.9%	76.8%	8.5%
Merritt	29	4,892,791	696,233	76,395	81,690	449,941	88,207	11.0%	11.7%	64.6%	12.7%

2006/07 STORE SALES BY REGION – UNAUDITED

Store Name	Store Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Ciders /Coolers	Spirits	Wine	Beer	Ciders /Coolers
Oliver	69	3,824,478	529,126	61,175	65,865	352,383	49,702	11.6%	12.4%	66.6%	9.4%
Osoyoos	83	4,786,025	608,910	70,140	111,892	354,538	72,341	11.5%	18.4%	58.2%	11.9%
Penticton Plaza	130	16,546,587	2,012,719	246,275	407,520	1,193,518	165,406	12.2%	20.2%	59.3%	8.2%
Princeton	37	3,252,208	527,889	39,746	49,533	398,127	40,483	7.5%	9.4%	75.4%	7.7%
Revelstoke	45	4,302,856	522,785	61,316	87,832	325,650	47,986	11.7%	16.8%	62.3%	9.2%
Salmon Arm	48	9,577,502	1,079,307	171,336	202,572	541,408	163,991	15.9%	18.8%	50.2%	15.2%
Sicamous	92	2,028,820	269,538	33,080	32,352	171,144	32,962	12.3%	12.0%	63.5%	12.2%
Summerland	86	3,549,644	511,799	44,983	85,054	346,760	35,002	8.8%	16.6%	67.8%	6.8%
Vernon Stores											
Vernon	62	5,318,217	520,863	102,072	120,787	243,555	54,448	19.6%	23.2%	46.8%	10.5%
Vernon Square	135	9,567,530	1,024,362	156,168	235,549	508,250	124,394	15.2%	23.0%	49.6%	12.1%
Winfield	166	3,477,147	463,538	48,016	89,429	282,189	43,904	10.4%	19.3%	60.9%	9.5%
KOOTENAY											
Castlegar	78	4,437,885	545,846	72,695	101,215	313,448	58,488	13.3%	18.5%	57.4%	10.7%
Cranbrook	09	10,391,998	1,387,356	161,412	192,510	918,845	114,588	11.6%	13.9%	66.2%	8.3%
Creston Valley	75	4,660,034	622,934	74,518	83,559	404,929	59,928	12.0%	13.4%	65.0%	9.6%
Elkford	131	824,808	99,941	16,617	9,376	65,534	8,414	16.6%	9.4%	65.6%	8.4%
Fernie	13	3,943,943	525,315	50,125	73,687	370,650	30,853	9.5%	14.0%	70.6%	5.9%
Fruitvale	95	1,266,678	215,952	13,975	22,420	166,030	13,527	6.5%	10.4%	76.9%	6.3%
Grand Forks	15	4,374,442	623,922	60,620	95,489	396,256	71,557	9.7%	15.3%	63.5%	11.5%
Greenwood	14	482,098	83,092	5,425	6,648	65,922	5,097	6.5%	8.0%	79.3%	6.1%
Invermere	17	6,455,454	723,378	95,782	146,376	393,004	88,216	13.2%	20.2%	54.3%	12.2%
Kaslo	18	1,616,067	266,766	15,514	32,215	199,436	19,601	5.8%	12.1%	74.8%	7.3%
Kimberley	66	3,657,790	489,385	54,642	69,062	327,316	38,366	11.2%	14.1%	66.9%	7.8%
Nakusp	202	2,567,744	410,660	28,481	41,373	306,212	34,593	6.9%	10.1%	74.6%	8.4%
Nelson	32	10,134,389	1,228,173	126,979	256,380	720,001	124,814	10.3%	20.9%	58.6%	10.2%
New Denver	74	730,200	119,502	6,272	13,949	90,063	9,218	5.2%	11.7%	75.4%	7.7%
Radium	245	1,728,953	219,090	26,532	31,327	136,510	24,722	12.1%	14.3%	62.3%	11.3%
Rossland	44	2,197,433	286,061	23,172	57,325	189,850	15,715	8.1%	20.0%	66.4%	5.5%
Salmo	207	980,600	144,143	14,811	15,188	95,650	18,493	10.3%	10.5%	66.4%	12.8%
Sparwood	28	1,565,760	238,799	24,419	14,497	186,288	13,594	10.2%	6.1%	78.0%	5.7%
Trail	51	4,904,532	666,106	68,160	125,533	405,957	66,455	10.2%	18.8%	60.9%	10.0%
CARIBOO											
100 Mile House	221	7,402,000	984,166	117,870	150,582	607,302	108,411	12.0%	15.3%	61.7%	11.0%
MacKenzie	106	2,626,224	365,817	44,415	26,453	264,269	30,681	12.1%	7.2%	72.2%	8.4%
McBride	26	1,103,845	149,021	17,499	13,805	104,735	12,982	11.7%	9.3%	70.3%	8.7%
Prince George Stores											
Hart Highway	114	4,463,361	614,062	73,171	57,711	421,557	61,622	11.9%	9.4%	68.7%	10.0%
10th Avenue	126	9,951,127	1,404,412	146,722	161,967	997,074	98,650	10.4%	11.5%	71.0%	7.0%
College Heights	154	4,430,081	632,572	60,840	85,700	446,580	39,453	9.6%	13.5%	70.6%	6.2%
Parkwood Place	174	15,771,600	1,763,934	279,723	294,327	910,521	279,363	15.9%	16.7%	51.6%	15.8%
Quesnel	43	7,402,014	883,112	132,502	140,377	496,219	114,014	15.0%	15.9%	56.2%	12.9%

2006/07 STORE SALES BY REGION – UNAUDITED

Store Name	Store Number	Sales		Litre Product Mix				Litre Product Mix Percentage			
		Retail \$	Litres	Spirits	Wine	Beer	Ciders /Coolers	Spirits	Wine	Beer	Ciders /Coolers
Valemount	96	1,204,131	166,017	13,461	23,293	121,238	8,025	8.1%	14.0%	73.0%	4.8%
Williams Lake	63	9,964,075	1,177,558	183,374	194,575	640,561	159,048	15.6%	16.5%	54.4%	13.5%
NORTH COAST											
Hazelton	227	1,373,102	250,505	14,543	11,335	195,921	28,706	5.8%	4.5%	78.2%	11.5%
Kitimat	213	2,874,593	371,209	42,453	71,837	225,188	31,731	11.4%	19.4%	60.7%	8.5%
Massett	105	1,676,266	228,551	23,536	31,284	152,014	21,717	10.3%	13.7%	66.5%	9.5%
Prince Rupert	35	5,935,658	724,563	98,545	109,381	444,822	71,815	13.6%	15.1%	61.4%	9.9%
Queen Charlotte City	211	1,575,140	209,832	21,389	28,918	139,435	20,090	10.2%	13.8%	66.5%	9.6%
Stewart	47	451,000	60,404	6,626	8,990	40,900	3,888	11.0%	14.9%	67.7%	6.4%
Terrace	52	8,164,055	888,057	151,421	171,310	423,097	142,229	17.1%	19.3%	47.6%	16.0%
NECHAKO											
Burns Lake	73	2,415,030	323,840	41,325	35,606	215,999	30,911	12.8%	11.0%	66.7%	9.5%
Fort St. James	248	1,567,242	236,675	22,913	18,759	178,057	16,946	9.7%	7.9%	75.2%	7.2%
Fraser Lake	91	1,198,626	176,270	17,607	16,548	124,820	17,296	10.0%	9.4%	70.8%	9.8%
Houston	99	1,983,439	277,017	31,708	23,665	190,851	30,795	11.4%	8.5%	68.9%	11.1%
Smithers	46	5,749,304	728,059	84,116	122,221	448,853	72,870	11.6%	16.8%	61.7%	10.0%
Vanderhoof	81	2,703,688	374,742	42,221	42,657	252,757	37,107	11.3%	11.4%	67.4%	9.9%
PEACE RIVER											
Chetwynd	238	2,477,062	332,297	43,375	23,710	226,959	38,252	13.1%	7.1%	68.3%	11.5%
Dawson Creek	212	7,948,387	1,028,125	140,618	108,495	664,816	114,197	13.7%	10.6%	64.7%	11.1%
Fort Nelson	222	2,312,714	269,327	46,291	26,649	174,038	22,350	17.2%	9.9%	64.6%	8.3%
Fort St. John	03	10,489,714	1,213,331	204,621	124,761	760,078	123,871	16.9%	10.3%	62.6%	10.2%
Hudson Hope	234	686,547	93,673	10,599	9,474	65,211	8,390	11.3%	10.1%	69.6%	9.0%
Tumbler Ridge	169	1,422,220	184,636	27,025	11,635	129,689	16,288	14.6%	6.3%	70.2%	8.8%
GRAND TOTAL		1,702,050,383	182,765,553	24,393,308	41,747,555	99,258,006	17,366,684	13.3%	22.8%	54.3%	9.5%