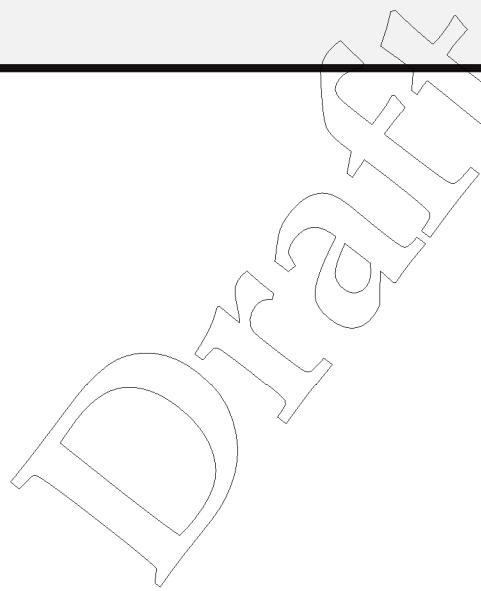

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

FINANCIAL STATEMENTS

DECEMBER 31, 2009



CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

DECEMBER 31, 2009

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DRAFT

Michael Argue Chartered Accountant

Professional Corporation

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AUDITOR'S REPORT

To the Members of Canadian Wood Pallet and Container Association

I have audited the statement of financial position of Canadian Wood Pallet and Container Association as at December 31, 2009 and the statement of operations for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, 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.

As is the case with many not-for-profit organizations, the Association derives sundry revenues from various activities which are not susceptible to complete audit verification. Accordingly, my verification procedures consisted of the comparison of the amounts recorded in the accounts to the amounts deposited to the bank, and we were not able to determine whether any adjustments might be necessary to these sundry revenues.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of sundry revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2009 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, I report that in my opinion, these principles have been applied on a basis consistent with the prior year.

North York, Ontario

March 12, 2010

Michael Argue Chartered Accountant
Licensed Public Accountant

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
Current		
Cash	\$ 200,981	\$ 377,147
Term Deposits (Note 3)	476,608	212,906
Accounts Receivable	10,710	20,684
GST Tax Recoverable	5,318	1,010
Prepaid Expenses and Sundry Assets	10,871	42,328
Capital Assets (Note 4)	704,488	654,075
	4,749	6,362
	<hr/> \$ 709,237	<hr/> \$ 660,437
LIABILITIES		
Current		
Accounts Payable and Accrued Liabilities	\$ 39,361	\$ 47,379
NET ASSETS		
Net Assets, Beginning of year	613,058	422,643
Net Earnings	56,818	190,414
	<hr/> 669,876	<hr/> 613,058
	<hr/> \$ 709,237	<hr/> \$ 660,437

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	2009	2008
MEMBERSHIP FEES	\$ 127,000	\$ 109,422	\$ 139,981
EXPENSES			
Directors' meetings and travel	12,500	41,572	13,837
Management fees and wages	82,000	62,159	101,160
Office	35,500	24,169	24,599
Postage and handling	16,500	6,481	12,200
Printing and reproduction	19,000	7,125	10,000
Amortization of tangible assets	-	997	1,201
Professional fees	7,500	16,550	7,400
Rent	6,000	5,553	5,421
Telephone	6,000	2,814	3,701
	185,000	167,420	179,519
EARNINGS (LOSS) FROM MEMBERSHIP ACTIVITIES			
	(58,000)	(57,998)	(39,538)
MEETINGS AND ACTIVITIES (Page 4)	16,000	(22,054)	9,776
SUNDRY ACTIVITIES (Page 5)	44,600	(16,868)	64,379
INSPECTION NET EARNINGS	-	140,618	152,065
EARNINGS (LOSS) BEFORE INTEREST INCOME	2,600	43,698	186,682
INTEREST INCOME	2,000	13,120	3,736
NET EARNINGS	4,600	56,818	190,418

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

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

SCHEDULE OF MEETINGS AND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
ANNUAL MEETING		
Registration	\$ 17,155	\$ 13,380
Expenses	(22,855)	(27,239)
	<hr/>	<hr/>
	(5,700)	(13,859)
REGIONAL MEETINGS		
Registration	6,586	24,028
Expenses	(24,179)	(11,004)
	<hr/>	<hr/>
	(17,593)	13,024
SAFETY GROUP		
Registration	-	16,659
Expenses	-	(8,200)
	<hr/>	<hr/>
	-	8,459
SCRAMBLE GOLF TOURNAMENT		
Registration	10,021	11,425
Expenses	(8,782)	(9,273)
	<hr/>	<hr/>
	1,239	2,152
	<hr/>	<hr/>
	\$ (22,054)	\$ 9,776
	<hr/>	<hr/>

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

SCHEDULE OF SUNDRY ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
SUNDRY REVENUES		
Advertising	\$ 784	\$ 45,580
Promotional Items	-	310
Pallet Enterprise Subscriptions	1,568	1,764
Foreign Exchange Gain	-	18,316
Paldraw Sales	806	4,145
	<hr/> 3,158	<hr/> 70,115
SUNDRY EXPENSES		
Advertising	16,889	2,501
Foreign Exchange Loss	2,492	-
Paldraw Expense	645	3,235
	<hr/> 20,026	<hr/> 5,736
	<hr/> \$ (16,868)	<hr/> \$ 64,379

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

1. PURPOSE OF THE ORGANIZATION

The purpose of the Canadian Wood Pallet and Container Association (the "Association") is to promote the general welfare of the wooden pallet and packaging industry by providing newsletters to members and organizing events, activities and workplace programs for members. Under the Income Tax Act for Canada, the Association qualifies as a not-for-profit organization and is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign Currency Translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenue and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

(b) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Computer equipment -30% diminishing balance

Office equipment - 20% diminishing balance

(c) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Contributions are recognized as revenue of the fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All other revenues and expenses are recorded on the accrual basis.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

3. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and cash equivalents, receivables, guaranteed investment certificates, payables and accruals. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The guaranteed investment certificates are recorded at cost and have an approximate fair market value of .

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2009	Net 2008
Computer equipment	\$ 16,806	\$ 14,423	\$ 2,383	\$ 3,404
Office equipment	13,718	11,352	2,366	2,958
	\$ 30,524	\$ 25,775	\$ 4,749	\$ 6,362

5. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as it would not provide any additional useful information.

6. BUDGET

The budgeted figures are presented for comparison purposes only and are unaudited.

7. COMPARATIVE FIGURES

Certain 2008 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2009.