

**THE CANADIAN ACTION PARTY /  
PARTI ACTION CANADIENNE  
2002 FINANCIAL STATEMENTS**

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## **AUDITORS' REPORT**

### **TO THE CHIEF AGENT FOR THE CANADIAN ACTION PARTY / PARTI ACTION CANADIENNE**

We have audited the balance sheet of the Canadian Action Party / Parti Action Canadienne as at December 31, 2002 and the statement of receipts and expenditures for the year then ended. These financial statements are the responsibility of the Party's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from 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.

Our examination was designed to enable us to report as required under the Canada Elections Act. The Act does not require us to report that the accounting records include all the transactions of the Party and, thus, our examination was not designed to determine the extent of omissions, if any, from the accounting records.

In our opinion, these financial statements present fairly the information contained in the accounting records of the Canadian Action Party / Parti Action Canadienne as at December 31, 2002 and the receipts and expenditures for the year then ended in accordance with Canadian generally accepted accounting principles.

Brampton, Ontario  
April 4, 2003

A handwritten signature in black ink, appearing to read 'McCarney Greenwood LLP'.

McCARNEY GREENWOOD LLP  
Chartered Accountants

**THE CANADIAN ACTION PARTY / PARTI ACTION CANADIENNE**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 2002**

	2002	2001
	\$	\$
<b>ASSETS</b>		
Current		
Cash	3,121	-
Receivables	700	16,896
	<b>3,821</b>	<b>16,896</b>
Capital assets <i>(Note 3)</i>	<b>5,009</b>	<b>7,155</b>
	<b>8,830</b>	<b>24,051</b>
<b>LIABILITIES</b>		
Current		
Payable and accrued liabilities	3,043	6,790
Loan payable to Paul Hellyer <i>(Note 4)</i>	1,269	727,995
Note payable to Paul Hellyer <i>(Note 5)</i>	750,000	-
	<b>754,312</b>	<b>734,785</b>
<b>NET LIABILITIES</b>	<b>(745,482)</b>	<b>(710,734)</b>

*See Accompanying Notes*

On behalf of the Party:

..... Director

..... Director

**THE CANADIAN ACTION PARTY / PARTI ACTION CANADIENNE**  
**STATEMENT OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	2002 \$	2001 \$
<b>RECEIPTS</b>		
Contributions	42,255	36,693
Memberships and other	7,562	6,341
	<b>49,817</b>	<b>43,034</b>
<b>EXPENDITURES</b>		
Administrative	6,665	12,528
Advertising	16,814	8,518
Bad debts	-	7,596
Legal and audit	954	1,228
Miscellaneous	200	2,796
Rent	-	3,600
Salaries, wages and benefits	54,313	84,773
Telephone	5,619	6,408
Travel	-	1,908
	<b>84,565</b>	<b>129,355</b>
<b>DEFICIENCY OF RECEIPTS OVER EXPENDITURES FOR THE YEAR</b>	<b>(34,748)</b>	<b>(86,321)</b>
<b>NET LIABILITIES, BEGINNING OF YEAR</b>	<b>(710,734)</b>	<b>(624,413)</b>
<b>NET LIABILITIES, END OF YEAR</b>	<b>(745,482)</b>	<b>(710,734)</b>

*See Accompanying Notes*



**CANADIAN ACTION PARTY / PARTI ACTION CANADIENNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**1. ORGANIZATION**

The organization is a registered political party under the Canada Elections Act. It is currently led by Paul Hellyer.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Estimates and Assumptions Used in Preparing Financial Statements**

Preparation of these financial statements requires the use of estimates and assumptions that affect amounts reported and disclosed in the statements and related notes. Such estimates are not expected to change materially in the near term.

**Contributions**

Contributions are recorded at fair market value and are recognized in the year of receipt.

**Capital Assets**

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated on a declining balance basis at per annum rates which are expected to amortize the cost of the capital asset over their estimated useful lives as follows:

Computer equipment	30%
Telephone equipment	20%
Furniture and fixtures	20%

**3. CAPITAL ASSETS**

	<b>2002</b>			<b>2001</b>
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>	<b>Net</b>
	<b>\$</b>	<b>Amortization</b>	<b>\$</b>	<b>\$</b>
		<b>\$</b>		
Computer equipment	8,910	7,238	1,672	2,388
Telephone equipment	5,760	4,750	1,010	1,443
Furniture and fixtures	6,356	4,029	2,327	3,324
	<b>21,026</b>	<b>16,017</b>	<b>5,009</b>	<b>7,155</b>

Amortization in the year was \$2,146 (2001 - \$3,066) and is included in administrative expenditures.

**CANADIAN ACTION PARTY / PARTI ACTION CANADIENNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**4. LOAN PAYABLE TO PAUL HELLYER**

The loan payable to Paul Hellyer is without interest and with no specific terms of repayments.

**5. NOTE PAYABLE TO PAUL HELLYER**

The note payable to Paul Hellyer is payable on demand. It bears interest at 4% per annum payable yearly commencing January 1, 2003.

**6. STATEMENT OF CASH FLOWS**

A statement of cash flows has not been prepared, as the required information is readily apparent from other financial statements and notes to the financial statements.

**7. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the party is not exposed to significant interest rate, currency, or credit risks arising from its cash, receivables, accounts payable and accrued liabilities, and loans payable.