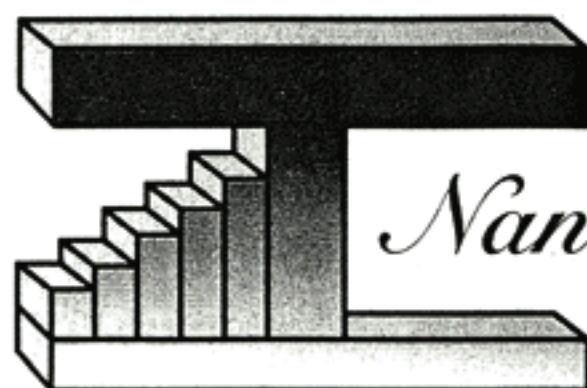


Christian Heritage Party of Canada
Financial Statements
As at December 31, 2005

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Nancy Fraser, CGA

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AUDITOR'S REPORT

To the Chief Agent of the
Christian Heritage Party of Canada,

I have audited the balance sheet of the Christian Heritage Party of Canada as at December 31, 2005 and the statements of operations, net assets, cash flows and Financial Transactions Return derived from the completed financial statements for the year then ended. These financial statements are the responsibility of the management of the Christian Heritage Party of Canada. 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 the Board of Directors, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Christian Heritage Party derives a substantial portion of its revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenue from this source was limited to accounting for the amounts recorded in the books of the Party and I was not able to determine whether any adjustment might be necessary to the amount of contributions reported. Furthermore as the Party has minimum control over the activities of the individual riding associations, only assets, liabilities and expenses of the head office and the provincial divisions have been reflected in the financial statements. As such I was not able to determine whether any adjustments might be necessary to revenue, expenses, excess of revenue over expenses, assets and net assets

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 the contributions referred to in the preceding paragraph, these financial statements presents fairly, in all material respects, the financial position of the Christian Heritage Party as at December 31, 2005 and the statement of operations, net assets, cash flows and Financial Transactions Return for the year then ended in accordance with Canadian generally accepted accounting principles.

Nancy Fraser CGA

Nancy Fraser, CGA.

Certified General Accountant

Gatineau, Quebec

June 15, 2006

Christian Heritage Party of Canada
Statement of Operations
Year ended December 31, 2005

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	2005	2004 7 months
REVENUES		
Donations	194 450 \$	129 996 \$
Special project donations	24 930	410
Rebates from province and ridings	30 013	4 820
Membership	29 295	6 080
Other	1 816	827
	<hr/>	<hr/>
	280 504	142 133
EXPENSES		
Salaries and fringe benefits	116 004	74 634
Casual help	1 180	436
National Board Meeting	18 932	6 226
Electoral Campaign	12 788	36 864
Distribution to ridings	4 607	-
Travelling	10 194	3 927
Advertising and promotion	7 213	3 075
Website	371	1 488
Rent	9 970	3 960
Office supplies and printing	4 606	2 277
Stamps and couriers	9 046	4 809
Telecommunications	7 620	6 234
Professionnal fees	4 982	3 210
Interest and bank charges	327	146
Interest on long-term debt	1 100	196
	<hr/>	<hr/>
	208 940	147 482
	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENSES	71 564 \$	(5 349) \$

Christian Heritage Party of Canada
Statement of Changes in Net Assets (Deficiency)
Year ended December 31, 2005

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	Invested in capital assets	Unrestricted	Total 2005	Total 2004
Opening Balance	21 964 \$	(33 939) \$	(11 975) \$	(10 834) \$
Excess of revenues over expenses	-	71 564	71 564	(5 349)
CLOSING BALANCE	21 964 \$	37 625 \$	59 589 \$	(16 183) \$



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Christian Heritage Party of Canada

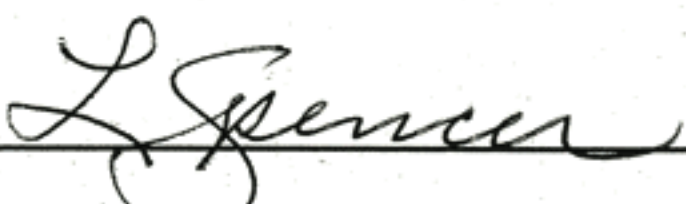
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Balance Sheet

Year ended December 31, 2005

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	70 561 \$	15 696 \$
Receivables	22 173	19 810
Prepaid Expenses	9 556	1 458
	<hr/>	<hr/>
TOTAL ASSETS	102 290	36 964
	<hr/>	<hr/>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	18 133	13 754
Wages and Deductions at source payable	8 568	8 753
	<hr/>	<hr/>
	26 701	22 507
LONG-TERM LIABILITIES (note 3)	<hr/>	<hr/>
	16 000	30 640
	<hr/>	<hr/>
TOTAL LIABILITIES	42 701	53 147
	<hr/>	<hr/>
NET ASSETS (DEFICIENCY)		
Invested in capital assets	21 964	21 964
Unrestricted	37 625	(38 147)
	<hr/>	<hr/>
TOTAL NET ASSETS (DEFICIENCY)	59 589	(16 183)
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS (DEFICIENCY)	102 290 \$	36 964 \$
	<hr/>	<hr/>

On behalf of the Board :





, Chairperson

, Secretary

Christian Heritage Party of Canada

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Statement of Cash Flows

Year ended December 31, 2005

		2005	2004
OPERATING ACTIVITIES			
Excess of Revenues over Expenses		71 564 \$	(5 349) \$
Net changes in non-cash working capital	Note C	(6 267)	(1 120)
Cash flows from operating activities		65 297	(6 469)
FINANCING ACTIVITIES			
Provincial Divisions opening balance		(2 792)	-
Repayment of long-term debt		(7 640)	(4 714)
Cash flows from financing activities		(10 432)	(4 714)
Increase (Decrease) in Cash and Cash Equivalent		54 865	(11 183)
Cash and Cash Equivalent at Beginning	Note A	15 696	26 879
Cash and Cash Equivalent at end	Note A	70 561 \$	15 696 \$

Christian Heritage Party of Canada

Statement of Cash Flows

Year ended December 31, 2005

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	2005	2004
A - Cash and cash equivalent consist of cash on hand, balances with bank accounts.	<u>70 561 \$</u>	<u>15 696 \$</u>
B - Interest paid on long term debt		
Interest paid	<u>- \$</u>	<u>2 806 \$</u>
C - Net change in non-cash working capital :		
Receivables	(2 363) \$	(14 613) \$
Prepaid Expenses	(8 098)	(1 230)
Accounts Payable	4 379	10 936
Wages and Deductions at source payable	<u>(185)</u>	<u>3 787</u>
	<u>(6 267) \$</u>	<u>(1 120) \$</u>

Note 1 NATURE OF ACTIVITIES

The Christian Heritage Party of Canada was registered as an official political party in May of 1986 under the Elections Canada Act.

In 2005, The Christian Heritage Party of Canada registered the following provincial divisions

Christian Heritage Party Ontario Council
Manitoba Council of the Christian Heritage Party
Alberta Council of the Christian Heritage Party
BC Council of the Christian Heritage Party

Note 2 SIGNIFICANT ACCOUNTING POLICIES

ACCRUAL BASIS OF ACCOUNTING

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measureable ; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay. All donations dated up to December 31 are included as revenue.

DONATED SERVICES

Since the Christian Heritage Party could not pay for the numerous services provided by volunteers through current operations, these services are not accounted for in the financial statements.

CAPITAL ASSETS HELD BY SMALL ORGANIZATIONS

Purchases of capital assets are charged to expenses for the year when the assets are acquired. During the year, no amount was expended for assets. Since the inception of the Christian Heritage Party of Canada, 21 964 \$ of capital expenditures have been applied against equity. The main categories of capital assets held by the Christian Heritage Party are the following :

	<u>Useful life</u>
Furniture and fixtures	10
Computer software	3
Computer equipment	3
Library	5

Note 3 LONG-TERM LIABILITIES

	2005	2004
Notes payable to individual party members, 10 % interest. Principal and interest are due and payable 2 years from date of issue. Total aggregate amount due April 2000 is 121,000 \$. The notes have also been guaranteed by consenting signatures who are members of the party.		
	11 000 \$	21 140 \$
Guarantors	5 000	9 500
	16 000 \$	30 640 \$

Note 4 OPERATIONS BETWEEN RELATED PARTIES

The Party received funds from and for the CHP Brampton. The CHP Brampton is not registered. The funds are deposited in a special bank account. The total amount received as at December 31, 2005 is 10 398.46 \$. That sum will be distributed to CHP Brampton when they get registered.

Note 5 COMPARISON OF FINANCIAL STATEMENTS

For comparison purposes, some of the preceding year's accounts have been reclassified to conform with the current year's accounts.

Note 6 FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, accounts payable, private member loans, and long-term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate and credit risks arising from these financial instruments.