

Annual
Report
2004/2005

**COMPANIES
OFFICE**
**OFFICE DES
COMPAGNIES**

quality Service

COMPANIES OFFICE

2004/2005

ANNUAL REPORT

The Companies Office is
the Manitoba Registry of
businesses and corporations,
where employees strive
to exceed customer
expectations through the
delivery of cost-effective,
quality service.

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ADVISORY BOARD MEMBERS

Chairperson:

M. Alexandra Morton, Q.C.
Assistant Deputy Minister
Consumer and Corporate Affairs Division
Department of Finance

Members:

Addie Jason
Manager Corporate Records
D'Arcy & Deacon, Barristers & Solicitors

Les Johnson
Simpson McGrath

Isabelle Aubin
Staff Representative
Manager, Office Systems & Customer Service

Myron Pawlowsky
Chief Operating Officer
Companies Office

Ron Klimenko
Audit Supervisor
Workers' Compensation Board

Bob Hucal
Monk, Goodwin
Barristers and Solicitors

AGENCY MANAGEMENT

Myron Pawlowsky
Chief Operating Officer

Shane Lasker
Acting Deputy Director - Legal

Linda Kalinski
Deputy Director, Operations

David Rudy
Controller

Joan Alty
Hub Administration

Isabelle Aubin
Manager, Office Systems &
Customer Service

FOREWORD

I am pleased to present the 9th Annual Report of the Companies Office. In it, we have outlined the activities, goals and achievements of the Agency.

The Companies Office continues to be financially strong, reporting an operating net profit of \$1,504.

The Office constantly surveys its clients in order to ascertain their views as to the quality of the services they are receiving. We are pleased that during 2004/2005 97% of clients surveyed said they were satisfied or very satisfied with our service.

Since the summer of 2003, companies which register with the Companies Office have been automatically receiving a federal Business Number, thus easing their dealings with government offices.

The Office's internet name reservation application continues to be popular with clients. During 2004/2005, 42% of name reservations were accomplished via the internet.

We look forward to continuing to provide improved services to our clients, and to maintaining our excellent client satisfaction rating

A handwritten signature in green ink, appearing to read 'Myron Pawlowsky', with a long, sweeping underline that extends to the right.

Myron Pawlowsky
Chief Operating Officer, and Director



**MINISTER OF
FINANCE**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard
Lieutenant Governor of Manitoba

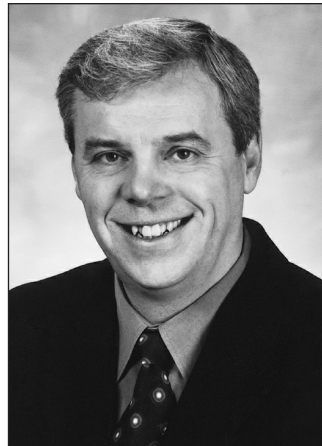
May it please your Honour:

I have the privilege of presenting for the information of Your Honour, the Annual Report of the Companies Office for the fiscal year ending March 31, 2005.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg Selinger".

Honourable Greg Selinger
Minister
Finance





**Deputy Minister of
Finance**

Room 109
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
(204) 945-3754
email: dmfin@leg.gov.mb.ca

Minister Greg Selinger
Finance

Sir:

I have the honour to submit the Annual Report for the Companies Office for your consideration. The Report summarizes the agency's activities for the fiscal year ending March 31, 2005.

The 2004/2005 fiscal year was the ninth year of operation as a Special Operating Agency for the Companies Office. The Office has once again reported a strong financial position.

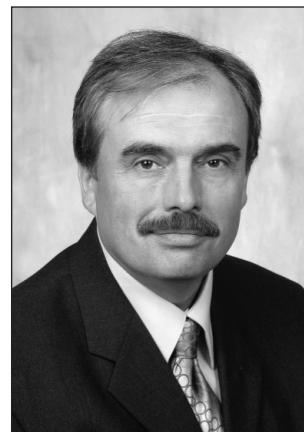
The Companies Office continues to emphasize customer service improvement through initiatives such as Continuous Improvement and Performance Reporting.

I would like to thank the Agency's management and staff for their continued dedication and commitment to service, as well as the members of the Advisory Board for their time and effort guiding the Agency's endeavors during the last year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'E Boschmann'.

Ewald Boschmann
Deputy Minister
Finance



MISSION

The Companies Office is the Manitoba Registry of businesses and corporations, where employees strive to exceed customer expectations through the delivery of cost effective quality service.

Agency Profile

HISTORICAL OVERVIEW

The Companies Office was formed in 1870 as the Provincial Secretary's Office. The Office's main function is to be a public registry of information filed under *The Corporations Act*, *The Business Names Registration Act*, the *Ukrainian Catholic Parishes Act* and *The Religious Societies' Lands Act*.

The Office also reviews the names of new corporations and business name registrations. Since 1983 it has used a Canada-wide name searching system to assist in this review.

SPECIAL OPERATING AGENCY STATUS AND MANDATE

The Office became a special operating agency on April 1, 1996. The Companies Office is part of Manitoba Finance under the general direction of the Assistant Deputy Minister, Consumer and Corporate Affairs Division, and Deputy Minister, Finance.

OFFICE STRUCTURE

The Office is organized into eight operational units: Accounting, Examination, Annual Returns, Business Names Clerks, Customer Service Representatives, Office Services, Secretarial Services and Manitoba Business Links. Through three Deputy Directors, and a Manager, they all report to the Chief Operating Officer, who is also known as the Director for statutory purposes. There are currently twenty-eight regular status staff within the Office.

The Office's management team consists of a Chief Operating Officer, two Deputy Directors, Hub Administrator, a Manager and a Controller. The Chief Operating Officer reports to the Assistant Deputy Minister of the Consumer and Corporate Affairs Division, in Manitoba Finance.

The Office's Advisory Board provides advice on its strategic operations and on changes to its mandate, structure, business practices and finances. The Board will also comment on the Office's performance through review of proposed business plans and reports.

MISSION

The Office's Mission Statement is as follows:

The Companies Office is the Manitoba Registry of businesses and corporations, where employees strive to exceed customer expectations through the delivery of cost effective quality service.

Mission
Statement

ORGANIZATIONAL VALUES

The mission and goals of the Companies Office are supported by the following organizational values:

Human Resources:

Belief in our staff is demonstrated by our commitment to:

- fostering employee education and training;
- building and encouraging staff team work, job satisfaction and morale;
- encouraging and acknowledging activities and contributions.

Service Delivery:

Service excellence is demonstrated by our commitment to:

- encouraging innovative ideas for continuous improvement;
- delivering timely and concise information in a courteous manner.

Planning:

Long and short term planning is demonstrated by:

- having clear objectives for the Office;
- multi-year budgeting.

Technological Innovations:

The Office's belief in technology is demonstrated by:

- using current technologies, wherever possible, to meet customer needs.

GOALS

The ongoing goals of the Agency are:

- a) to deliver products and services that best satisfy the needs of the customer;
- b) to ensure accurate and quick registration of documents filed under the Acts;
- c) to ensure all legal requirements are met regarding compliance, safekeeping, and availability of information to the public;
- d) to provide customers with courteous, timely and cost-effective service; and
- e) to recover the full cost of services and maximize revenue opportunities.

Goals

Products & Services

The Office provides a variety of services pursuant to the statutes administered; it:

MARKETS

The Agency's markets are those seeking information and those wishing to file corporate documents. The largest client groups are the general public, the legal community and the business community.

There are several internal clients that use the services provided by the Companies Office. These include:

- within the department, the Consumers Bureau, the Securities Commission, the Financial Institutions Regulation Branch and the Taxation Division;
- most other provincial government departments and many agencies;
- the Taxation Division is the major user of on-line searching services.

Although there are other government agencies that provide registry services, there are no other organizations that provide the same business and corporate registry services in Manitoba. There are, however, similar organizations in all other provinces of Canada as well as a comparable federal agency.

In addition there are similar agencies in most States in the U.S.A. and in many other countries.

- a) registers or creates corporations under The Corporations Act, The Religious Societies Lands Act and The Ukrainian Catholic Parishes Act;
- b) registers proprietorships and partnerships under The Business Names Registration Act;
- c) reviews and processes documents which create and register corporations and register businesses;
- d) makes decisions as to the acceptability of names of new corporations and businesses;
- e) provides certificates about companies on file;
- f) provides a computerized data base for on-line and in-house users;
- g) provides a variety of information-related products; and
- h) makes presentations to legal and educational groups to better inform the public about statutory requirements and office services.
- i) obtains a federal Business Number for businesses immediately after their registration.

MANITOBA BUSINESS LINKS (MBL)

The Office implemented the Manitoba Business Links (MBL) system during the first quarter of 2003/2004. This new system automatically obtains a federal Business Number for businesses during their registration process.

During the fall of 2004, a Strategic Directions Committee was struck to focus on the ongoing development of the Manitoba Hub and MBL program. The co-chairs are Myron Pawlowsky, Chief Operating Officer of the Companies Office and business owner of the Manitoba Hub and Guy Gordon, Acting Assistant Deputy Minister, Service Manitoba. The Committee sees its role as recommending the appropriate strategic development for the MBL Hub and identification of a "champion" to spearhead this activity.

SUSTAINABLE DEVELOPMENT

Manitoba Finance has adopted sustainable development procurement and financial management guidelines and a code of practice. Goals have been developed to guide departments and agencies in elaborating action plans, integrating principles into operations, and reporting progress.

Agency staff reviewed the procurement and financial management guidelines and code of practice, and the Companies Office adopted the following procurement policy.

Purchases are being based on:

- Careful consideration of the good's, material's or service's impact on the environment, economy and human health and well-being.
- Consideration of market factors, such as specifications, equality, delivery date, and price of the good, material or service; and
- Preference being given to the purchase of environmentally preferable goods and materials whenever they perform satisfactorily and are available at a reasonable price.
- Participating in department-wide recycling plan.

New
Systems

Performance Indicators and Goals

The Balanced Scorecard
Performance Framework
translates the Office's
Mission Statement into
performance targets.

PERFORMANCE REVIEW

During the fiscal year 2004/2005 Agency staff responded to 246,759 requests for service compared to 243,670 requests last year. This included document filings, phone inquiries and in-person searches of files as outlined in the chart below.

COMPARATIVE OPERATING STATISTICS					
	2004/2005	2003/2004	2002/2003	2001/2002	2000/2001
New Incorporations	3,476	3,510	3,576	3,270	3,324
Amendments	907	829	903	860	896
New Registrations – Non Manitoba Corporations	771	669	620	668	737
Business Name Registrations	6,416	6,536	5,921	6,067	7,078
Personal Counter Searches of Corporate and Business Files	4,500	4,954	7,636	7,787	10,261
Name Reservations Requests	14,570	14,819	14,384	13,658	15,000
Annual Returns Processed	50,959	49,321	48,135	45,908	45,812
Telephone Inquiries	68,042	69,188	65,352	63,727	64,718
Customers Served at Counter	31,506	30,687	35,638	29,645	29,622
Active Corporate and Business Name Records	98,560	96,114	96,026	96,032	94,405

Interested clients also accessed the Agency's file information from computer terminals outside the Companies Office seven days a week. Public use of this service was substantial with 746,236 inquiry transactions occurring in 2004/2005. This service is convenient for clients as it is quicker and easier than attending the office.

The first level of appeals from name registration decisions is to the Director of the Agency. During the fiscal year there were 35 objections to both registered and unregistered names, down from 48 the previous year. A significant number of the objections related to unincorporated or unregistered names doing business in the province.

PERFORMANCE INDICATORS

The Office has formulated a number of performance indicators by which it could be evaluated. In summary, on average, 85% of Office clients surveyed were very satisfied with the service they received. The following table lists the goals, performance indicators and the results:

1. CUSTOMERS: to achieve our vision, how should we appear to our customers					
OBJECTIVES	CRITICAL SUCCESS FACTORS things that have to go right to reach the objective	PERFORMANCE MEASURES indicators to gauge success	BASELINE March 31, 1997 (except as noted)	PERFORMANCE TARGETS goals based on measures March 31, 2005	RESULTS March 31, 2005
Exceed customers' expectations by providing quality service	1) is prompt	% of "Tell Us How We Are Doing" forms which indicate very satisfied.	71% (Sept. 00) (very satisfied)	80% (very satisfied)	88% (very satisfied) 97% (very satisfied and satisfied)
	2) provides requested information	% of "Tell Us How We Are Doing" forms which indicate very satisfied.	84% (Sept. 00) (very satisfied)	90% (very satisfied)	86% (very satisfied) 99% (very satisfied and satisfied)
	3) provides service which is without error	% of "Tell Us How We Are Doing" forms which indicate very satisfied.	92% (Sept. 00) (very satisfied)	85% (very satisfied)	89% (very satisfied) 96% (very satisfied and satisfied)
					(187 responses)
	Provide new customer service and products	Ongoing development of new product or service	Four	Two	One Business Name Registration – Fillable Forms online.

2. BUSINESS PRACTICES: to satisfy our customers, what business processes must we exceed at

OBJECTIVES	CRITICAL SUCCESS FACTORS things that have to go right to reach the objective	PERFORMANCE MEASURES indicators to gauge success	BASELINE March 31, 1997 (except as noted)	PERFORMANCE TARGETS goals based on measures March 31, 2005	RESULTS March 31, 2005
To process customer service requests in an efficient and effective manner	employ strategies that will decrease cycle time	Cycle time for processing: – Business documents – Corporate documents – Annual returns	a) Business name registrations: 3 working days b) Incorporations: 3 working days c) Annual returns: 12 working days	a) business name registrations: 2.5 days b) incorporations: 2.5 days c) annual returns: 7 days	4.38 days 4.15 days 10.69 days
	Provide personal telephone services that were: Courteous and friendly 1) provide by knowledgeable and competent staff 2) responsive to your needs	% of customers surveyed that rate the personal telephone services as very satisfied (Q3 on Tell Us How We Are Doing Forms – Telephone Survey)	63% (Sept/00)	85% (very satisfied)	76% (very satisfied) 96% (very satisfied and satisfied) (78 responses)

3. FINANCIAL: to succeed financially, we need to achieve

OBJECTIVES	CRITICAL SUCCESS FACTORS things that have to go right to reach the objective	PERFORMANCE MEASURES indicators to gauge success	BASELINE March 31, 1997 (except as noted)	PERFORMANCE TARGETS goals based on measures March 31, 2005	RESULTS March 31, 2005
Operate as a financially sound SOA	Possess assets to facilitate business development	Profit	Three Year Average 1,364	\$ 719	\$1,504
		Revenue Contribution	\$1,000	\$1,500	\$1,700

Operating goals

The Office has also set additional operating goals for staff. Goals and results are as follows:

Hold one client impact meeting.

Held June 15, 2004. Consulted with stakeholders on their views for potential amendments to the Corporations Act, and as to various Office processes.

Develop a committee committed to reviewing business processes susceptible to errors and identify process improvements.

Committee developed and will be meeting to develop plans.

Explore the possibility of providing staff with a short-term exchange program with another office capable of providing the employee with learning opportunities that would benefit the Office and enhance the information provided to customers.

Short-term exchange with the Canada/Manitoba Business Service Centre occurred in November 2004.

Maintain Continuous Improvement Initiative.

5 “BEST” (Bringing Excellence to Service and Training) committee meetings were held and the following were reviewed:

- 186 Tell Us How We’re Doing – In Person surveys reviewed.
 - 68 Tell Us How We’re Doing – Telephone Surveys reviewed.
 - 11 staff suggestions from the staff comment box were reviewed and three were implemented.
-

Financial Results

Companies Office continues its
strong financial position.

INTRODUCTION

The Companies Office reported a net income from Operations of \$1,504 for the year ended March 31, 2005, an increase of \$785 over budget and a increase of \$486 compared to last year.

SUMMARY OF OVERALL FINANCIAL RESULTS

Companies Office 2003/2004 Financial Summary (in thousands)					
	ACTUAL 2004/2005	BUDGET 2004/2005	OVER (UNDER) BUDGET	ACTUAL 2003/2004	OVER (UNDER) 2003/2004
Total Net Revenue	\$5,384	\$4,979	\$405	\$4,798	\$586
Salaries & Benefits	1,470	1,498	(28)	1,410	60
Operating Expenses	1,014	1,316	(302)	1,107	(93)
Amortization	26	25	1	22	4
Net Earnings Before BSI Allocation	2,874	2,140	734	2,259	615
BSI Allocation*	1,370	1,421	(51)	1,241	129
Net Earnings	1,504	719	785	1,018	486
Revenue Contribution	1,700	1,500	200	800	900

*BSI Allocation - System Development Cost Allocation

Sum

REVENUE

Total net revenue for the year ended March 31, 2005, was \$5,384 or \$405 higher than budget and \$586 higher than a year ago. A number of rates were increased July 1, 2004, as well as an increase in actual filings accounts for the increase.

EXPENSES

The following is an explanation of significant variances to budget and last year.

1. Actual to Budget

a) Operating costs are lower than budgeted mainly as a result of:

- Manitoba Business Links costs were \$204 under budget. Technical support costs included in budget were lower than projected.
- There were no P.O.S. licence fees charged in the year (\$38 were budgeted).
- Legal Services were down \$34 compared to budget. Much of anticipated legal work occurred at end of 2003/04.

b) Programmers costs are higher than budget as a result of:

- Additional time spent supporting the COS system.
- Additional work on converting Companies' forms to PDF format.
- Support of the System Development Committee.

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RESPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On Behalf of Management;



Myron Pawlowsky
Chief Operating Officer



Dave Rudy
Controller

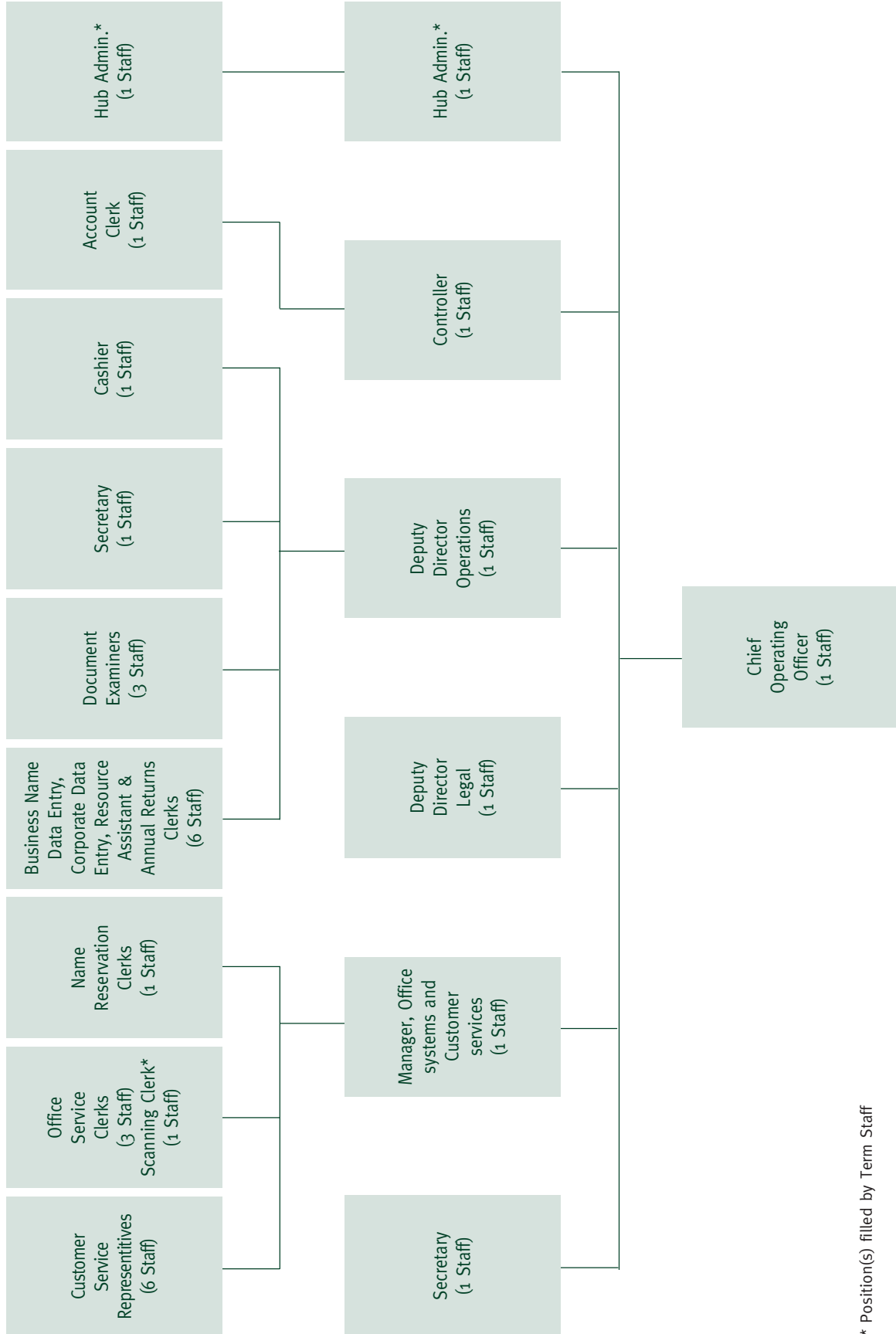
APPENDIX A

COMPANIES OFFICE REVENUE BY ACTIVITY (\$000's)			
	2004/2005	2003/2004	2002/2003
	Actual	Actual	Actual
New Incorporations	946	825	846
New Registrations – Non Manitoba Corporations	216	166	153
Business Name Registrations	289	294	243
Business Name Renewals	331	326	307
Personal Counter Searches	23	25	30
Name Reservation Requests	543	445	432
Annual Returns Processed	1,917	1,849	1,805
Certificates of Status/Search	98	64	61
Public Access	209	146	175
Amalgamations	54	40	39
Revivals	59	45	50
Supplementary Certificate of Registration	75	73	77
Certified/Photocopies	26	11	17
Other	563	448	427
GROSS REVENUE	5,349	4,757	4,662

APPENDIX A-2

REVENUE SUMMARY BY SERVICE AREA (\$000'S)							
	ANNUAL RETURNS	INCORP-ORATIONS	NAME REGISTRATIONS	NAME RESERVATIONS	NAME RENEWALS	OTHER	TOTAL
2004/2005	1917	946	289	543	331	1323	5349
% of Total	35.84%	17.69%	5.40%	10.15%	6.19%	24.73%	100.00%
2003/2004	1,849	825	294	445	326	1,018	4,757
% of Total	38.54%	17.19%	6.13%	9.27%	6.79%	22.07%	100.00%
2002/2003	1,805	846	243	432	307	1,029	4,662
% of Total	38.7%	18.1%	5.2%	9.3%	6.6%	22.0%	99.98%
2001/2002	1,656	769	182	375	220	924	4,126
% of Total	39.9%	18.7%	4.5%	9%	5.3%	22.5%	100.0%
2000/2001	1,481	774	212	307	210	929	3,912
% of Total	37.9%	19.8%	5.4%	7.8%	5.4%	23.7%	100.0%
1999/2000	1,453	754	214	317	217	858	3,814
% of Total	38.1%	19.8%	5.6%	8.3%	5.7%	22.5%	100.0%
1998/1999	1,413	738	222	312	201	826	3,711
% of Total	38.1%	19.9%	6.0%	8.4%	5.4%	22.3%	100.0%
1997/1998	1,387	740	215	306	197	788	3,632
% of Total	38.2%	20.4%	5.9%	8.4%	5.4%	21.7%	100.0%

COMPANIES OFFICE ORGANIZATION CHART 2005



* Position(s) filled by Term Staff

APPENDIX C

FEE COMPARISON CORPORATIONS ACT FEES				
	MANITOBA	SASK.	ONTARIO	CANADA
Incorporation Share Capital	300.	250.	360.	250.
Incorporation Without Share Capital	100.	50.	155. or 255.	200.
Amalgamation	300.	250.	500.	200.
Continuance/Discontinuance	300.	250.	330	200.
Amendment	150.	100.	150.	200.
Reorganization or Arrangement	300.	100.-250.	330.- 500.	200.
Restated Articles	150.	25.	150.	50.
Amendment Without Share Capital	50.	20.	N/A	50.
Revival Share Capital	100.	250.	330.	200.
Revival Without Share Capital	50.	50.	100.	N/A
Dissolution	50.	No Fee	25.	No Fee
Registration Share Capital	300.	250.	330.	
Registration Without Share Capital	100.			
Supplementary Registration	150.	100.	150	N/A
Statement/Revocation Intent to Dissolve	50.	N/A		No Fee
Cancellation of Registration	50.			
Restoration of Registration Share Capital	100.	250.		
Restoration of Registration Without Share Capital	50.	60.		
Annual Return Share Capital	40.	50.	No Fee	40.
Annual Return Without Share Capital	20.	10.	No Fee	30.
Annual Return Amendment	20.	10.		
Request to Reserve Name	40.	50. or 60.	N/A	N/A
Notation of Name	45.			
Order of Director	150.			

FEE COMPARISON CORPORATIONS ACT FEES

	MANITOBA	SASK.	ONTARIO	CANADA
Application for Exemption	150.			250.
Filing Power of Attorney	30.			
Certificate of Status	30.	15.	30.	10.
Certificate of Search	30.			
Personal File Search	3. or 5.	5.	12.	No Fee
Mail Search	5.	5.	12.	No Fee
Electronic Search	.30/screen	5./printout 2./search	Via service Providers	No Fee
Certified Copy Articles/Registration	30.	30. & 1./page	40.	35.
Certified Copy Other Document	15.	30.	40.	35.
Photocopy Articles/Registration	15.	1./page	14.	1./page
Photocopy Other Document	10.	1./page	14.	1./page
Copy of Fiche With All Names on Database	50.			
Facsimile Transmission	5.	5.		
File Summary	3.	4.		
Expedited Service	Double fee to maximum \$150.	25.-100.	Where available	

FEE COMPARISON BUSINESS NAMES REGISTRATION ACT FEES

	MANITOBA	SASK.	ONTARIO	CANADA
Registration	45.	50.	60. or 80.	10.
Limited Partnership	300.	250.	210.	50.
Dissolution	45.	10.	No Fee	No Fee
Change in Registrants	45.	20.		10.
Change in Capital	45.	100.		15.
Change in Name	45.	N/A	60. or 80.	10.
Renewal	45.	50.	60. or 80.	N/A
Personal Search	5.	5.	12.	
Mail Search	5.	5.	12.	
Electronic Search	30.	4./bus.		
Certified Copy of Any Document	15.	30. + 1.page	40.	5.each file
Photocopy of Any Document	10.	5.	14.	
Certificate of Status	30.		30.	
Certificate of Search	30.			
Request to Reserve One Name	40.	50. or 60.	12. or 8.	Private
Filing Power of Attorney	30.			
Facsimile Transmission	5.	5.		
File Summary	3.	4.		
Expedited Service	Double Fee to Maximum \$150.	25. or 100.	N/A	

Financial Statements

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AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Companies Office, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2005 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 17, 2005

CHARTERED ACCOUNTANTS

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

BALANCE SHEET

(in thousands)

MARCH 31, 2005

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash and Short Term Deposits	\$ 1,559	\$ 2,139
Accounts Receivable (Note 4)	281	153
Prepaid Expenses	18	16
	<u>1,858</u>	<u>2,308</u>
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 5)	218	218
CAPITAL ASSETS (Note 6)	<u>95</u>	<u>84</u>
	<u>\$ 2,171</u>	<u>\$ 2,610</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued	\$ 65	\$ 303
Accrued Vacation Entitlements	161	149
	<u>226</u>	<u>452</u>
SEVERANCE PAY LIABILITY (Note 7)	<u>201</u>	<u>218</u>
	427	670
EQUITY		
RETAINED EARNINGS	<u>1,744</u>	<u>1,940</u>
	<u>\$ 2,171</u>	<u>\$ 2,610</u>

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

STATEMENT OF EARNINGS AND RETAINED EARNINGS

(in thousands)

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
REVENUE		
Fees and Services	\$ 5,349	\$ 4,757
Interest	35	41
	<u>5,384</u>	<u>4,798</u>
EXPENSES		
Salaries and Employee Benefits	1,470	1,410
Operating Expenses (Page 8)	2,384	2,348
Amortization - Capital Assets	26	22
	<u>3,880</u>	<u>3,780</u>
NET EARNINGS FOR THE YEAR	1,504	1,018
RETAINED EARNINGS, Beginning of Year	1,940	1,722
	<u>3,444</u>	<u>2,740</u>
REVENUE SHARE TO PROVINCE OF MANITOBA	1,700	800
RETAINED EARNINGS, End of Year	<u>\$ 1,744</u>	<u>\$ 1,940</u>

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

**STATEMENT OF CASH FLOW
(in thousands)**

FOR THE YEAR ENDED MARCH 31, 2005	2005	2004
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net Earnings for the Year	\$ 1,504	\$ 1,018
Adjustment for		
Amortization - Capital Assets	26	22
	1,530	1,040
Changes in the following		
Accounts Receivable	(128)	(61)
Prepaid Expenses	(2)	(1)
Accounts Payable and Accrued	(238)	233
Accrued Vacation Entitlements	12	-
	1,174	1,211
FINANCING ACTIVITIES		
Change in Severance Pay Liability	(17)	12
Revenue Share to Province of Manitoba	(1,700)	(800)
	(1,717)	(788)
INVESTING ACTIVITY		
Capital Asset Additions	(37)	(20)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(580)	403
CASH AND SHORT TERM DEPOSITS, Beginning of Year	2,139	1,736
CASH AND SHORT TERM DEPOSITS, End of Year	\$ 1,559	\$ 2,139

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

**NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005**

1. NATURE OF ORGANIZATION

Effective April 1, 1996, the Lieutenant Governor in Council designated the Companies Office (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council. Another Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency (at that time), to enter into a management agreement with respect to the Agency. The management agreement assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA. SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister, Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of the Companies Office Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets: Capital assets are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Office Equipment	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold improvements	20% straight line (10% in year of acquisition)

Revenue Recognition: Revenue is recognized when the service is substantially complete.

Financial Instruments: It is management's opinion that the carrying value of the Agency's financial instruments approximates their fair value, except for the receivable from the Province of Manitoba which cannot be reasonably estimated due to the nature of the underlying terms of collection. In addition, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Use of Estimates: The preparation of financial statements in conformity with 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

**NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005**

3. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a \$100 limit in working capital advances. The Agency did not access working capital advances during the year.

4. ACCOUNTS RECEIVABLE

	2005	2004
Trade	\$ 40	\$ 27
Accrued Revenue	241	126
	\$ 281	\$ 153

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2005	2004
Vacation Entitlements	\$ 92	\$ 92
Severance Pay Benefits (Note 7)	126	126
	\$ 218	\$ 218

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			2005	2004
Computer Equipment and Software	\$ 61	\$ 35	\$ 26	\$ 18
Office Equipment	16	11	5	7
Furniture and Fixtures	99	56	43	59
Leasehold improvements	21	-	21	-
	\$ 197	\$ 102	\$ 95	\$ 84

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

**NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2005**

7. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at \$170 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at \$126 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be \$201 as at March 31, 2005.

8. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was \$73 (2004 - \$67).

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2006 are estimated to be \$127 (2005 - \$123).

10. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the classifications used in the current year.

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

SCHEDULE OF OPERATING EXPENSES

(in thousands)

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
Accounting	\$ 13	\$ 13
Audit	4	4
Bad Debts	2	2
Bank Charges	17	14
BSI cost allocation	1,370	1,241
Communications	26	26
Computer	115	93
Conversion and Implementation	-	81
Department Services	31	30
Desktop	97	97
Disaster Recovery	39	35
Equipment Maintenance and Rentals	6	7
Insurance	14	12
Legal Services	6	65
Manitoba Business Links	183	201
Miscellaneous	17	14
NUANS	145	149
Office Rent	123	122
Payroll Processing	20	20
Postal and Courier	44	45
Programmers	63	22
Stationery	44	48
Transportation	5	7
	\$ 2,384	\$ 2,348

**COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA**

**SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2005**

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds \$50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION	
		2005	2004
Myron Pawlowsky	Chief Operating Officer	\$ 84	\$ 81
Shane Lasker	Acting Deputy Director - Legal	66	65
Joan Alty	Deputy Director - Hub Administration	64	65
Dave Rudy	Controller	64	62
Ruth Brousseau	Accounting Clerk	60	-
Linda Kalinski	Deputy Director - Operations	57	57
Isabelle Aubin	Supervisor	51	50

États
Financiers