

580440 B.C. LTD.
Financial Statements
March 31, 2001

580440 B.C. LTD.

Statement of Management Responsibility

Management, in accordance with Canadian generally accepted accounting principles, has prepared the financial statements of *580440 B.C. Ltd.* These statements present fairly the financial position of the Corporation as at March 31, 2001 and results of its operations for the year then ended.

Management is responsible for the preparation, integrity and objectivity of the financial statements. Systems of internal control are developed and maintained by management to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide a reliable basis for preparation of the financial statements.

The Auditor General of British Columbia has performed an independent audit of the financial statements. The Report of the Auditor General outlines the scope of his audit and his opinion on the financial statements of *580440 B.C. Ltd.*



Chris Nelson
President



Doug Callbeck
Treasurer

Victoria, British Columbia
April 30, 2001



Report of the Auditor General
of British Columbia

To the Shareholder of 580440 B.C. Ltd.:

I have audited the balance sheet of *580440 B.C. Ltd.* as at March 31, 2001 and the statement of operations and cash flows for the year then ended March 31, 2001. These financial statements are the responsibility of the Corporation'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 *580440 B.C. Ltd.* as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Wayne Strelhoff

*Victoria, British Columbia
April 30, 2001*

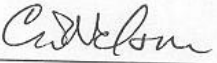
Wayne Strelhoff, CA
Auditor General

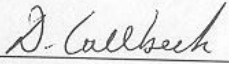
580440 B.C. LTD.
Balance Sheet

(thousands of dollars)

March 31,	2001	2000
	\$	\$
Assets		
Cash	1	68
Interest receivable	-	2
Loans receivable (note 3)	-	2,805
	1	2,875
Liabilities		
Interest payable	-	70
Due to Vancouver Trade and Convention Authority	1	1
Due to the Province of British Columbia (note 3)	-	2,805
	1	2,875
Shareholder's equity		
Share capital (note 5)	-	-
Retained earnings	-	-
	-	-
	1	2,875

On behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these financial statements

580440 B.C. LTD.**Statement of Operations and Retained Earnings**

(thousands of dollars)

Year ended March 31,	2001	2000
	\$	\$
Revenues		
Loan fees	-	34
Interest	45	2,794
	45	2,828
Expenses		
Loan fees	-	34
Interest	45	2,794
Write off of loans (note 3)		70,000
	45	72,828
Loss from operations	-	(70,000)
Forgiveness of debt by the province (note 3)	-	70,000
Net income for the year	-	-
Retained earnings beginning of year	-	-
Retained earnings end of the year	-	-

The accompanying notes are an integral part of these financial statements

580440 B.C. LTD.
Statement of Cash Flows

(thousands of dollars)

Year ended March 31,	2001	2000
	\$	\$
Cash flows from operating activities		
Interest income	2	4
Interest expense	(69)	(2,790)
Loan fees		(34)
Cash flows (used in) operating activities	(67)	(2,820)
Cash flows from financing activities		
Loans		550,385
Repayment of loans	(2,805)	(506,247)
Cash flows (used in) from financing activities	(2,805)	44,138
Cash flows from investing activities		
Loans to Vancouver Trade and Convention Centre Authority	2,805	(41,250)
Cash flows from (used in) investing activities	2,805	(41,250)
Net (decrease) increase in cash during the year	(67)	68
Cash beginning of year	68	-
Cash end of year	1	68

The accompanying notes are an integral part of these financial statements

580440 B.C. LTD.

Notes to the Financial Statements

Year ended March 31, 2001

1. Nature of business

550440 B.C. Ltd., (the "Corporation") was incorporated on February 17, 1999, under the *Company Act* of British Columbia and is wholly owned by the Province of British Columbia.

The purpose of the Corporation was to provide financing to the Vancouver Trade and Convention Centre Authority for the expansion of the Vancouver Trade and Convention Centre. The province canceled the project on October 5, 1999.

The Minister of Finance and Corporate Relations acts as fiscal agent for the Corporation.

The Corporation is exempt from federal and provincial income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

3. Loans receivable and due to the Province of British Columbia

On March 30, 2000, the Province of British Columbia forgave the Corporation \$70 million of its debt obligations. The Corporation in turn released the Vancouver Trade and Convention Centre Authority from its debt obligations to an equal amount of \$70 million.

<u>Loan</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>2001</u>	<u>2000</u>
	%		\$	\$
1	5.09	April 3, 2000	-	52,797
2	4.96	April 12, 2000	-	20,008
			-	72,805
		Less debt forgiven	-	(70,000)
			-	2,805

580440 B.C. LTD.

Notes to the Financial Statements

Year ended March 31, 2001

4. Related party transactions

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, unless disclosed separately in these financial statements, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

The Ministry of Employment and Investment provides administrative and accounting services to the Corporation. The cost of this support is not material and has not been recorded in these financial statements.

5. Share capital

The Corporation has authorized capital consisting of 10,000 common shares with no share value. The Minister of Employment and Investment holds the one common share issued as representative of Her Majesty the Queen in right of the Province of British Columbia.