

**BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**

**Financial Statements**

**September 30, 2003**



## Report of the Auditor General of British Columbia

*To the Shareholder of British Columbia Trade  
Development Corporation:*

I have audited the balance sheet of *British Columbia Trade Development Corporation* as at September 30, 2003 and the statements of revenues, expenditures and unappropriated equity, and cash flows for the six months ending September 30, 2003. 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 *British Columbia Trade Development Corporation* as at September 30, 2003 and the results of its operations and its cash flows for the six month period in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding period.

*Victoria, British Columbia  
November 20, 2003*

Wayne Strelieff, CA  
Auditor General

# BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION

## Balance Sheet

| (\$000)                                  | September 30, 2003 |                | March 31,    |
|--|--------------------|----------------|--------------|
|  | After              | Before         | 2003         |
|  | <u>wind-up</u>     | <u>wind-up</u> |              |
|  | \$                 | \$             | \$           |
| <b>ASSETS</b>                            |                    |                |              |
| <b>Current assets</b>                    |                    |                |              |
| Cash and short term investments (Note 4) |                    |                | 5,941        |
| Accountable advances                     |                    |                | <u>2</u>     |
|  |                    |                | 5,943        |
| Investments                              |                    | 50             | 50           |
|  |                    | 50             | 5,993        |
| <b>LIABILITIES</b>                       |                    |                |              |
| <b>Current liabilities</b>               |                    |                |              |
| Accounts payable and accrued liabilities |                    |                | 7            |
| <b>NET ASSETS</b>                        |                    |                |              |
| <u>Unappropriated equity</u>             |                    | 50             | <u>5,986</u> |
|  |                    | 50             | 5,993        |

Approved by the Board

  

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

BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION  
Statement of Revenues, Expenditures and Unappropriated Equity

| (\$000)  | September 30,<br>2003 | March 31,<br>2003 |
|--|-----------------------|-------------------|
|  | \$                    | \$                |
| <b>Revenues</b>  |                       |                   |
| Investment income  | 41                    | 352               |
| Dividend income  | 230                   | -                 |
| Other  | -                     | 138               |
|  | 271                   | 490               |
| <b>Expenditures</b>  |                       |                   |
| Office   | 10                    | 8                 |
| Professional services  | 2                     | 7                 |
|  | 12                    | 15                |
|  | 259                   | 475               |
| Gain on sale of shares   | -                     | 94                |
| Decrease in loan guarantee reserve (Note 5)                            | -                     | 2,500             |
| Excess of revenues over expenditures                                   | 259                   | 3,069             |
| Unappropriated equity, beginning of period                             | 5,986                 | 2,917             |
| Dividends paid during the period                                       | (6,195)               | -                 |
| Unappropriated equity  | 50                    | 5,986             |
| Assets transferred to Province of British Columbia on wind-up (Note 2) | (50)                  | -                 |
| Unappropriated equity, end of period                                   | -                     | 5,986             |

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

# BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION

## Statement of Cash Flows

| (\$000)  | September 30,<br>2003<br>\$ | March 31,<br>2003<br>\$ |
|--|-----------------------------|-------------------------|
| <b>Operating activities</b>                            |                             |                         |
| Excess of revenue over expenditures                    | 259                         | 3,069                   |
| Items not affecting cash                               |                             |                         |
| Gain on sale of shares                                 |                             | (94)                    |
| Loan guarantee reserve                                 |                             | (2,500)                 |
| Change in not-cash working capital                     |                             |                         |
| Accounts receivable                                    | 2                           | (2)                     |
| Accounts payable                                       | (7)                         | (17)                    |
|  | <u>254</u>                  | <u>456</u>              |
| <b>Investing activities</b>                            |                             |                         |
| Decrease in loan guarantee reserve fund                | -                           | 2,500                   |
| Proceeds from sale of shares                           | -                           | 94                      |
| Dividends paid during the period                       | (6,195)                     | -                       |
|  | <u>(6,195)</u>              | <u>2,594</u>            |
| (Decrease) increase in cash and short-term investments | (5,941)                     | 3,050                   |
| Cash and short-term investments, beginning of period   | 5,941                       | 2,891                   |
| <br>   |                             |                         |
| Cash and short-term investments, end of period         |                             | 5,941                   |

The accompanying notes are an integral part of these financial statements

# **BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2003**

### **1. Authority and purpose**

British Columbia Trade Development Corporation (the "Corporation") was established under the *Trade Development Corporation Act*. The principle role of the Corporation was to promote the sale of British Columbia goods and services to markets outside British Columbia by providing advice and assistance to export enterprises on terms and conditions the Corporation considers advisable. The Corporation is a Crown corporation and is exempt from income taxes.

### **2. Cessation of operations**

In its 1996 budget, the Province of British Columbia (the Province") announced the Corporation would be wound up and its existing functions would be amalgamated with the Ministry of Competition, Science and Enterprise (formerly Employment and Investment). By regulation of the Lieutenant Governor in Council the corporation will be dissolved and all of the rights, property and assets transferred to and vested in the Province of British Columbia.

### **3. Significant accounting policies**

#### **(a) General**

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

#### **(b) Cash and short-term investments**

Cash and short-term investments include short-term money market instruments, which, on acquisition, have a term to maturity of three months or less.

#### **(c) Investments**

Investments are accounted for by the cost method, as the Corporation does not have significant influence over the operating, financing and investing decisions related to the investments.

#### **(d) Foreign currency translation**

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rates of exchange at the balance sheet date. Revenues and expenditures are translated at the average rates of exchange prevailing during the period. Foreign exchange gains or losses are included in income for the period.

BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS

September 30, 2003

3. Significant accounting policies (con't)

(e) Investment income

Investment income is reported net of legal and consulting fees related to the administration of the Province's Export Loan Guarantee Program.

(f) 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 and disclosures of project expenditures and accountable advances at the date of the financial statements. Actual results could differ from these estimates.

(g) Related parties

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

4. Cash and short term investments

|                        | September 30, 2003 |              | March 31, 2003 |              |
|------------------------|--------------------|--------------|----------------|--------------|
|                        | Cost               | Market Value | Cost           | Market Value |
|                        | \$                 | \$           | \$             | \$           |
| Cash                   | -                  | -            | 638            | 638          |
| Short term Investments | -                  | -            | 5,303          | 5,303        |
|                        | -                  | -            | 5,941          | 5,941        |

# BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION

September 30, 2003

## 5. Loan Guarantee Reserve Fund

| <u>(\$000)</u>                | <u>September 30,</u><br><u>2003</u> | <u>March 31,</u><br><u>2003</u> |
|-------------------------------|-------------------------------------|---------------------------------|
| Balance, beginning of period  | -                                   | 2,500                           |
| Investment income             | -                                   | 25                              |
| Legal and consulting fees     | -                                   | (25)                            |
| <u>Loan guarantee reserve</u> | <u>-</u>                            | <u>(2,500)</u>                  |
| Balance, end of period        | -                                   | -                               |