



COMPANIES
OFFICE

OFFICE DES
COMPAGNIES

Annual

Report

2011/2012

quality Service

COMPANIES OFFICE

2011/2012

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.



**MINISTER OF
FAMILY SERVICES AND CONSUMER AFFAIRS**

Room 357
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

His Honour the Honourable Philip Lee, CM, OM
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May it please your Honour:

I have the privilege of presenting the Annual Report of the Companies Office for the fiscal year ending March 31, 2012, for the information of Your Honour.

Respectfully submitted,

Original signed by:

Honourable Jim Rondeau
Minister
Healthy Living, Seniors and Consumer Affairs





Healthy Living, Seniors and Consumer Affairs

Deputy Minister's Office

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Minister Jim Rondeau
Healthy Living, Seniors and Consumer Affairs

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, 2012.

The 2011/2012 fiscal year was the 16th 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,

Original signed by:

Cindy Stevens
Deputy Minister
Healthy Living, Seniors and Consumer Affairs



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ADVISORY BOARD MEMBERS

Chairperson:

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

Members:

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

Gary Hannaford, FCA
Chief Executive Officer
The Institute of Chartered Accountants
of Manitoba

Gail Carter
Staff Representative
Accounting Clerk

Myron Pawlowsky
Chief Operating Officer
Companies Office

Ron Klimenko
Audit Supervisor
Workers' Compensation Board

Bob Hucal
Monk, Goodwin
Barristers and Solicitors

OFFICE MANAGEMENT

Myron Pawlowsky
Chief Operating Officer

Shane Lasker
Deputy Director - Legal

Gail Carter
Acting Deputy Director, Operations

David Rudy
Controller

Cathy Shaw
Manager, Manitoba Business Links

Lori Belza
Acting Manager, Office Systems & Customer
Service

Cari Bowley
Acting Assistant Manager

FOREWORD

I am pleased to present the 16th Annual Report of the Companies Office. In it, we have outlined the activities, goals and achievements of the Office.

The Companies Office continues to be financially strong, reporting an operating net profit before transfer of funds to the Province of \$3,507. Filings increased in a number of areas in support of this strong performance: Annual Return filings were up by 11 per cent, and new corporations by four per cent.

The Office constantly surveys its clients about the quality of the services they are receiving. We are pleased that during 2011/2012, 96 per cent of clients surveyed indicated they were satisfied or very satisfied with our service.

We plan to roll out a new computer system in 2012/13, which will facilitate electronic filings, and further enhance services to our clients.

Original signed by:

Myron Pawlowsky
Chief Operating Officer, and Director

AVANT-PROPOS

J'ai l'honneur de présenter le seizième rapport annuel de l'Office des compagnies. Dans ce rapport, nous donnons un aperçu des activités, des buts et des réalisations de l'Office.

L'Office des compagnies continue d'être financièrement solide, déclarant un bénéfice d'exploitation net avant le transfert de fonds à la Province de 3 507 \$. Les dépôts de documents ont augmenté dans un certain nombre de domaines, en appui de cette solide performance. Les dépôts de rapports annuels ont augmenté de 11 % et ceux des nouvelles sociétés, de 4 %.

L'Office n'a cessé de mener des sondages auprès de ses clients au sujet de la qualité des services reçus. Nous sommes heureux que 96 % des clients interrogés aient indiqué avoir été satisfaits ou très satisfaits de nos services en 2011-2012.

Nous envisageons d'offrir un nouveau système informatique en 2012-2013 qui facilitera les dépôts électroniques et continuera d'améliorer les services que nous offrons à nos clients.

Original signed by:

Myron Pawlowsky
Chef de l'exploitation et directeur

Office Profile

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.

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 Healthy Living, Seniors and Consumer Affairs under the general direction of the Assistant Deputy Minister, Consumer and Corporate Affairs Division, and Deputy Minister, Healthy Living, Seniors and Consumer Affairs.

OFFICE STRUCTURE

The Office is organized into nine operational units: Accounting, Examination, Annual Returns, Data Entry Clerks, Customer Service Representatives, Office Services, Secretarial Services, Manitoba Business Links and Notaries/Commissioner for Oaths. Through the Deputy Directors, and Managers, they all report to the Chief Operating Officer, who is also known as the Director for statutory purposes. There are currently 33 regular status staff within the Office.

The Office's management team consists of a Chief Operating Officer, two Deputy Directors, two Managers and a Controller. The Chief Operating Officer reports to the Assistant Deputy Minister of the Consumer and Corporate Affairs Division, in Healthy Living, Seniors and Consumer Affairs.

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 CUSTOMERS' EXPECTATIONS THROUGH THE DELIVERY OF COST EFFECTIVE QUALITY SERVICE.

Mission
sg

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; and
- * encouraging and acknowledging activities and contributions.

Service Delivery:

Service excellence is demonstrated by our commitment to:

- * encourage innovative ideas for continuous improvement; and
- * deliver timely and concise information in a courteous manner.

Planning:

Long and short term planning is demonstrated by:

- * having clear objectives for the Office; and
- * 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 Office 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 by it. The Office:

CLIENTS

The Office's clients 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 also many public sector departments and agencies that use the services provided by the Companies Office.

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. However, there are similar organizations in all other provinces of Canada as well as a comparable federal agency.

In addition, there are similar agencies in all 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) appoints and renews Commissioners of Oaths and Notaries Public, and authenticates Notaries Public;
- d) administers the use of the Business Number as Manitoba's common business identifier (as part of the "Manitoba Business Links" program);
- e) makes decisions as to the acceptability of names of new corporations and businesses;
- f) provides certificates about companies on file;
- g) provides a computerized data base for on-line and in-house users;
- h) provides a variety of information-related products; and
- i) makes presentations to legal and educational groups to better inform the public about statutory requirements and Office services.

SUSTAINABLE DEVELOPMENT

Office 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 the health and well-being of citizens;
- consideration of market factors, such as specifications, equality, delivery date, and price of the goods, material or service;
- preference being given to the purchase of environmentally preferable goods and materials whenever they perform satisfactorily and are available at a reasonable price;and
- participating in government wide recycling plan.

THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

Any disclosures of wrongdoing received by the Companies Office pursuant to The Public Interest Disclosure (Whistleblowers Protection) Act will be reported in the Annual Report of the Department of Healthy Living, Seniors and Consumer Affairs. For further information, please refer to the 2011/2012 Annual Report of the Department of Healthy Living, Seniors and Consumer Affairs.

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 2011/2012 Office staff responded to 279,528 requests for service compared to 247,028 requests last year. This included document filings, phone inquiries and in-person searches of files as outlined in the chart below.

COMPARATIVE OPERATING STATISTICS				
	2011/2012	2010/2011	2009/2010	2008/2009
New Incorporations	4,652	4,426	4,322	4,089
Amendments	1,181	992	1,017	1,007
New Registrations – Non Manitoba Corporations	920	998	836	875
Business Name Registrations	6,793	6,716	6,708	6,488
Personal Counter Searches of Corporate and Business Files	3,717	3,850	4,264	3,686
Name Reservations Requests	14,510	15,547	15,363	14,968
Annual Returns Processed	58,173	58,277	57,993	59,565
Telephone Inquiries	58,164	59,868	59,901	58,542
Customers Served at Counter	23,357	26,549	26,397	25,811
Active Corporate and Business Name Records	108,061	109,962	109,981	108,086

Interested clients also accessed the Office's file information from computer terminals outside the Companies Office seven days a week. Public use of this service was substantial with 806,554 inquiry transactions occurring in 2011/2012. 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 Office. During the fiscal year, there were 29 objections to both registered and unregistered names, up from 25 the previous year.

PERFORMANCE INDICATORS

The Office has formulated a number of performance indicators by which it could be evaluated. In summary, on average, 96 per cent of Office client survey respondents were 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, 2012	RESULTS March 31, 2012
Exceed customers' expectations by providing quality service	provide service which is:				
	1) prompt	% of "Tell Us How We Are Doing" forms which indicate very satisfied.	71% (Sept. 00) (very satisfied)	90% (very satisfied)	83% (very satisfied) (98% satisfied and very satisfied)
	2) without error	% of "Tell Us How We Are Doing" forms which indicate very satisfied.	76% (Sept. 00) (very satisfied)	95% (satisfied and very satisfied)	98% (satisfied and very satisfied)
	3) personable	% of "Tell Us How We Are Doing" forms which indicate very satisfied.	95% (2008) (very satisfied)	95% (very satisfied)	89% (very satisfied) (94% satisfied and very satisfied)
	4) helpful/informative	% of "Tell Us How We Are Doing" forms which indicate very satisfied.	89% (very satisfied) 2010	95% (very satisfied)	93% (very satisfied) (97% satisfied and very satisfied) (106 responses)

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, 2012	RESULTS March 31, 2012
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	(Six month baseline as of Sept. 1997) Business Name Registrations: 3.0 working days Incorporations: 3.0 working days Annual Returns: 11 working days	Business Name Registrations: 3.0 working days Incorporations: 3.0 working days Annual Returns: 8 working days	* Business Name Registrations: 5 working days. * Incorporations: 5 working days. Annual Returns: 16 working days. (Note 1)

Note 1 – The number of Annual Returns filed continues at a high level due to the increasing number of active corporations. Also, the Office experienced turnover in the area

COMPANIES OFFICE BALANCED SCORECARD PERFORMANCE FRAMEWORK

3) FINANCIAL: (to succeed financially, we need to achieve)

OBJECTIVES	CRITICAL SUCCESS FACTORS (things that have to go right to achieve the objective)	PERFORMANCE MEASURES (indicators to gauge success)	BASELINE March 31, 1997 (except as noted)	PERFORMANCE TARGETS (goals based on measures) March 31, 2012	RESULTS March 31, 2012
Operate as a financially sound SOA	Possess assets to facilitate business development	Profit before transfer to Province	Three Year Average \$1,810	\$1,673	\$3,507
		Revenue Contribution	\$1,000	\$2,500	\$2,500

Operating goals

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

Implement the new Companies Office System (Cobra).

Project started September 27, 2010. Implementation estimated in late 2012.

Examine, rewrite and submit updated position descriptions to Classification Services Branch for review, as the Cobra project progresses.

Work is currently in progress.

SYSTEM DEVELOPMENT UPDATE

The Office continues to work on the customization of a new computer application, which will improve customer service by enabling various filings to be made online.

At this time, the roll-out of the new system is expected to occur by the end of 2012.

Regulations pursuant to The Electronic Commerce and Information Act have been enacted, that would legally enable electronic filing under the Office's statutes. These online services will provide clients with the ability to obtain information and file documents with greater ease,

MANITOBA BUSINESS LINKS (MBL)

The Canada Revenue Agency creates the national Business Number (BN) for use by businesses in Canada. The Office is responsible for the Manitoba Business Links business area, which administers the Manitoba government's use of the national BN.

In 2011/12, the Office continued its involvement with the development of the strategic direction for MBL and the national BN. Significant milestones in 2011/12 included:

- Implementation of the Financial Institutions Regulation Branch as a participating program.
- The commitment of the City of Winnipeg to adopt the BN. The City is well-positioned to become Canada's first municipal BN partner.
- Partnering with Manitoba's BizPaL initiative and Small Business Development Branch to raise awareness of the BN in the province.
- Contribution to the action plan of the Service-to-Business Task Team formed under the Public Sector Service Delivery Council for national BN promotion.
- A Memorandum of Understanding review between Manitoba and Workers Compensation Board led to agreement to a three-year financial terms extension.

Financial Results

**Companies Office continues its
strong financial position.**

FINANCIAL RESULTS (DOLLAR REFERENCES IN THOUSANDS)

INTRODUCTION

The Companies Office reported an income from Operations of \$3,507 for the year ended March 31, 2012, an increase of \$1,834 over budget and an increase of \$338 compared to last year.

SUMMARY OF OVERALL FINANCIAL RESULTS

COMPANIES OFFICE 2011/2012 FINANCIAL SUMMARY (in thousands)					
	ACTUAL 2011/2012	BUDGET 2011/2012	OVER (UNDER) Budget	ACTUAL 2010/2011	OVER (UNDER) 2010/2011
Total Net Revenue	7,914	6,933	981	7,483	431
Salaries & Benefits	1,759	1,801	(42)	1,696	63
Operating Expenses	1,633	2,382	(749)	1,562	71
Amortization	15	77	(62)	15	-
Income Before System Allocations	4,507	2,673	1,834	4,210	297
System Allocations *	1,000	1,000	-	1,041	41
Income From Operations	3,507	1,673	1,834	3,169	338
Transfer of Funds to the Province of Manitoba	2,500	2,500	-	2,500	-
Net Income (Deficit)	1007	(827)	1,834	669	338

*System Allocations – System Development cost allocation.

Sum

REVENUE

Total net revenue for the year ended March 31, 2012, was \$7,914 or \$981 higher than budget and \$431 higher than a year ago. Increase in actual filings and the full year's effect of a rate increase account for the difference.

EXPENSES

The following is an explanation of significant variances to budget.

1. Actual to Budget

- a) Operating costs were lower than budget as a result of:
- Manitoba Business Links (MBL) costs were lower by \$152. MBL budget included technical support costs (enhancements) of \$112 that were not expended during the year.

In addition, the following MBL costs were lower than budget:

Marketing	(7)
Travel	(7)
Office	(60)
Legal	(8)

- Budget included Name Reservation System Enhancements of \$22. Nothing was expended during the year.
- The following costs were lower as a result of the delay in the Cobra (new system) implementation.

Interest Expense	(97)
New System	
Maintenance	(378)
Bank Charges	
(Visa)	(100)
New System	
<u>Training</u>	<u>(36)</u>
	611

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APPENDIX A

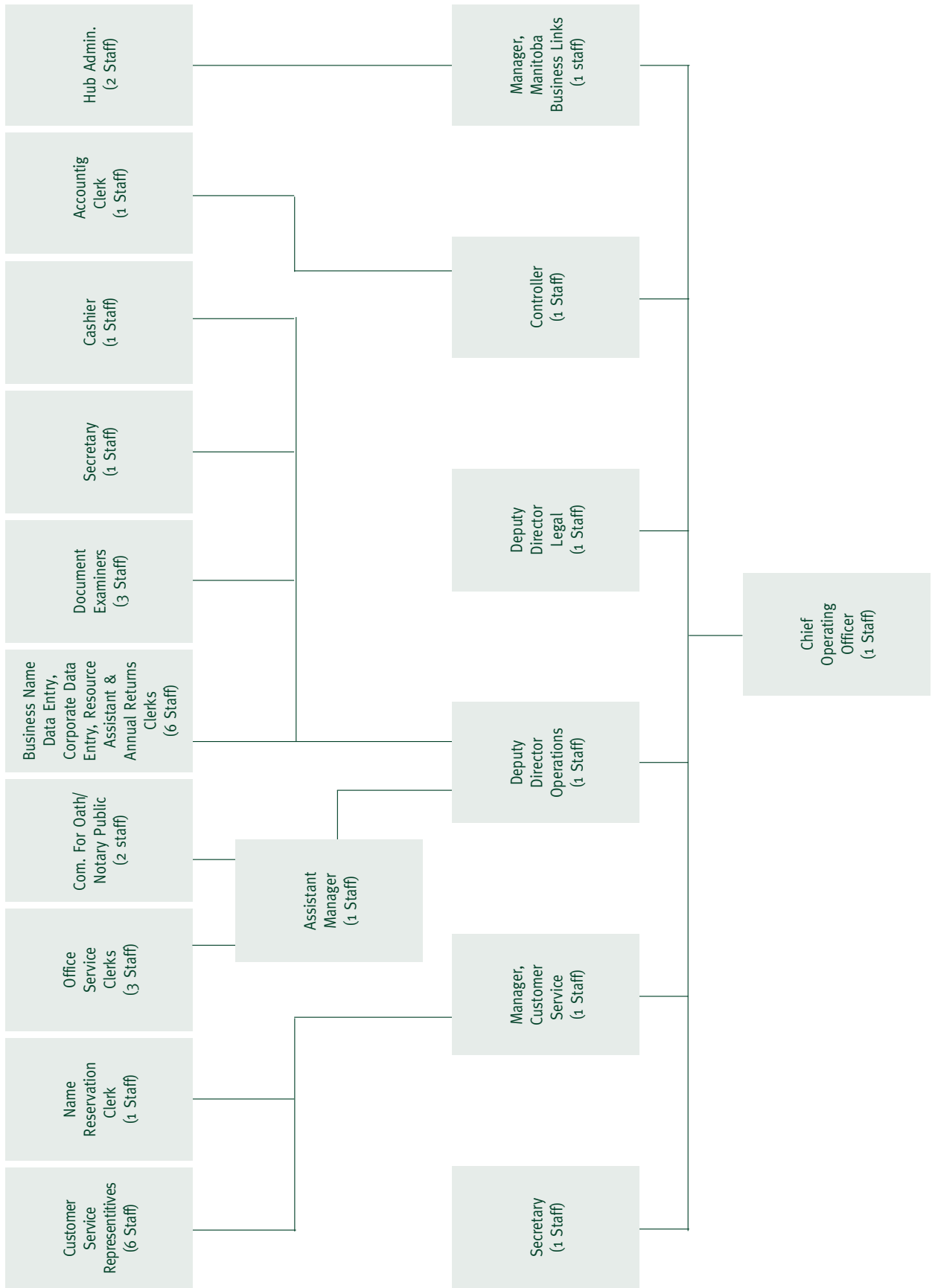
COMPANIES OFFICE REVENUE BY ACTIVITY (\$000'S)			
	2011/2012	2010/2011	2009/2010
	Actual	Actual	Actual
New Incorporations	1,343	1,279	1,243
New Registrations – Non Manitoba Corporations	271	293	246
Business Name Registrations	305	302	302
Business Name Renewals	378	379	379
Personal Searches	19	19	21
Name Reservation Requests	580	633	615
Annual Returns Processed	2,909	2,688	2,250
Certificates of Status/Search	149	146	128
Public Access	274	255	259
Amalgamations	72	65	66
Revivals	72	71	62
Supplementary Certificate of Registration	83	84	72
Certified/Photocopies	34	36	35
Other	1,387	1,213	1,029
GROSS REVENUE	7,876	7,463	6,707

APPENDIX A-2

REVENUE SUMMARY BY SERVICE AREA (\$000'S)							
	ANNUAL RETURNS	INCORP-ORATIONS	NAME REGISTRATIONS	NAME RESERVATIONS	NAME RENEWALS	OTHER	TOTAL
2011/2012	2,909	1,343	271	580	378	2,395	7,876
% of Total	36.93%	17.05%	3.44%	7.36%	4.80%	30.41%	100.00%
2010/2011	2,688	1,279	302	633	379	2,182	7,463
% of Total	36.02%	17.14%	4.05%	8.48%	5.08%	29.24%	100.00%
2009/2010	2,250	1,243	302	615	379	1,918	6,707
% of Total	36.02%	17.14%	4.05%	8.48%	5.08%	29.24%	100.00%
2008/2009	2,202	1,180	292	599	363	1,903	6,539
% of Total	33.67%	18.05%	4.47%	9.16%	5.55%	29.10%	100.00%
2007/2008	2,042	1,161	283	605	347	2,030	6,468
% of Total	37.57%	17.95%	4.38%	9.35%	5.36%	31.39%	100.00%
2006/2007	2,040	1,055	310	583	345	1,843	6,176
% of Total	33.03%	17.08%	5.01%	9.43%	5.59%	29.86%	100%
2005/2006	1,978	1,046	305	596	337	1,833	6,095
% of Total	32.45%	17.16%	5.00%	9.78%	5.53%	30.07%	100.00%
2004/2005	1,917	946	289	543	331	1,323	5,349
% of Total	35.84%	17.69%	5.40%	10.15%	6.19%	24.73%	100.00%
2003/2004	1,849	825	294	445	326	1,059	4,798
% 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	38.72%	18.15%	5.21%	9.30%	6.6%	22.00%	99.98%

APPENDIX B

COMPANIES OFFICE ORGANIZATION CHART 2011 – 2012



APPENDIX C

FEE COMPARISON CURRENT CORPORATIONS ACT FEES

	MANITOBA	SASK.	ONT.	CANADA	QUEBEC	N.B.	N.S.	NFLD.	ALTA.	B.C.	P.E.I.
Incorporation Share Capital	300.	265.	360.	200. or 250.	300./450.	312.	302.66	300.	100.	350.	265.
Incorporation Without Share Capital	100.	65.	155.	200.	145.	50. -200.	302.66	70.	75.	100.	140.
Amalgamation	300.	265.	330. or 500.	200.	482.	362..	302.66	300.	100.	350.	265.
Continuance/Discontinuance	300.	265.	330.	200.	197.	362..	123. or 302.66	300.	100.	350.	250.
Amendment	150.	100.	150.	200.	140.	212..	59.86 or 179.35	100.	25.	100.	265.
Amendment of Articles Converting a Corporation	300.	115.	150.	200.	145.	100.	59.86 or 174.13	50.	25.	100.	265.
Reorganization or Arrangement	300.	100. -250.	150. or 330.	200.	N/A	362..	N/A	100.	100. 25.	N/A	N/A
Restated Articles	150.	25.	150.	50.	N/A	100.	N/A	100.	25.	N/A	N/A
Amendment Without Share Capital	50.	20.	N/A	50.	65.	N/A	59.86	100.	25.	50.	N/A
Revival Share Capital	100.	250.	330.	200.	308.	250.	123.30	300.	100.	350.	265.
Revival Without Share Capital	50.	50.	100.	N/A	132.	N/A	N/A	70.	75.	100.	265.
Dissolution	50.	No fee	25.	No Fee	N/A	62.	119.71	N/C	Nil	20.	125.
Registration Share Capital	300.	265.	330.			212.	260. - 560.	100.	100.	380.	200.
Registration Without Share Capital	100.										
Supplementary Registration	150.	115.	155.	NA	Nil	112.	30. to 100.	25.	20. to 100.	N/A	
Statement/Revocation Intent to Dissolve	50.	N/A		No Fee	N/A	62.	50.		0.0	N/A	
Cancellation of Registration	50.										
Restoration of Registration Share Capital	100.	265.			N/A	100.	430.	260. - 560.	100.	350.	
Restoration of Registration Without Share Capital	50.	65.									

FEE COMPARISON CURRENT CORPORATIONS ACT FEES

	MANITOBA	SASK.	ONT.	CANADA	QUEBEC	N.B.	N.S.	NFLD.	ALTA.	B.C.	P.E.I.
Annual Return Share Capital	50.	50. /80.	No Fee	20. or 40.	84.	60. or 200.	103.39 or 239.42	75. or 200.	N/C	43-39	30.
Annual Return Without Share Capital	25.	10.	No Fee	30.	40.	0 -50.	25.	N/A	N//C	25.	
Annual Return Amendment	25.	10.					48.99				
Request to Reserve Name	40.	50. or 60.	N/A	N/A	37.00	47.75 or 59.67 + HST	10.	Private	30.	40. - 50.	
Notation of Name	45.										
Order of Director	150.										

All Alberta rates shown do not include the private service provider fees that would be added in almost every category as the Alberta government does not directly provide these services.

MANITOBA SASK. ONT. CANADA QUEBEC N.B. N.S. NFLD. ALTA. B.C. P.E.I.

Application for Exemption	150.	250.																	
Filing Power of Attorney	30.		50.	No fee	10.	N/C	20.												
Certificate of Status	30.	15.	30.	10.	22.50	20.	32.65	10.	5.	35.									
Certificate of Search	30.						Nil												
Personal File Search	3. or 5.	5.	12.	No Fee	No Fee	No Fee	5.44	Nil	1.	10.									
Mail Search	5.	5.	12.	No Fee	N/A	No Fee	10.88	5.	N/A	10.									
Electronic Search	.30/screen	\$5/printout \$2/search	Via Service Providers	No Fee	No Fee	No Fee	\$57.25 month + 2.32/hour	NA	1.	7.	N/A								
Certified Copy Articles/ Registration	30.	30. & \$1. page	40.	35.	28.69	20.	22.42	20.	5.	35. +	30.								
Certified Copy Other Document	15.	30.	40.	35.	28.69	20.	11.21	20.	5.	35. +	30.								
Photocopy Articles/ Registration	15.	\$1/page	14.	\$1./page	1.52/page	10.	22.42	.50/page	5.	10. + .50/ page	.25 page								
Photocopy Other Document	10.	\$1./page	14.	\$1./page	1.52/page	10.	11.21	.50/page	5.	10. + .50/ page	.25/ 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	+50%	N/A	N/A	100.												

All Alberta rates shown do not include the private service provider fees that would be added in almost every category, as the Alberta government does not directly provide these services.

FEE COMPARISON CURRENT BUSINESS NAMES REGISTRATION ACT FEES

	MANITOBA	SASK.	ONT.	ALTA.	QUEBEC	N.B.	N.S.	NFLD.	B.C.	P.E.I.
Registration	45. (3 years)	65. (3 years)	60. or 80. (5 years)	10.	32. or 43.	112. (5 years)	61.66		40.	65.
Limited Partnership	300.	265.	210.	50.	43.	212.	160.	230.	165.	200.
Limited Liability Partnerships	300.	250.		50.					275.	
Dissolution	45.	10.	No Fee	N/C	No Fee	12.	59.86		N/C	15.
Change in Registrants	45.	20.		10.	No Fee	12.	N/C		40.	
Change in Capital	45.	100.		15.						
Change in Name	45.	N/A	60. or 80.	10.	No Fee	62.	33.63		30.	
Renewal	45.	50.	60. or 80.	N/A	32. or 48.	62.	61.66			50.
Personal Search	5.	5.	12.						10.	
Mail Search	5.	5.	12.					5.	10.	
Electronic Search	.30	\$2/bus.								
Certified Copy of Any Document	15.	20.	30.	5. each file	28.69	20.	10.88		10. or 25. + .50/page	
Photocopy of Any Document	10.	1. /per page	14.			10.	10.88			
Certificate of Status	30.	15.	30.							
Certificate of Search	30.									
Request to Reserve One Name	40.1	50. or 60	12. or 8.	Private	N/A		47.75 or 53.69 +HST		30.	40. -50.
Filing Power of Attorney	30.									
Facsimile Transmission	5.	5.			5.00					
File Summary	3.	4.	12.				.10			
Expedited Service		Double fee./ to Maximum 150	25. or 100.	N/A	+50%					100.

All Alberta rates shown do not include the private service provider fees that would be added in almost every category, as the Alberta government does not directly provide these services. directly provide these services.

Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Special Operating Agencies Financing Authority of
Companies Office

Report on the Financial Statements

We have audited the accompanying financial statements of Companies Office, an agency of the Special Operating Agencies Financing Authority, Province of Manitoba, which comprise the statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010 and the statements of operations, change in net financial assets and cash flow for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Companies Office as at March 31, 2012, March 31, 2011 and April 1, 2010 and the results of its operations and cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with Canadian public sector accounting standards.

June 12, 2012
Winnipeg, Canada

Magnus Chartered Accountants LLP

COMPANIES OFFICE
(An Agency of the Province of Manitoba)

Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of management of Companies Office and have been prepared in accordance with Canadian public sector accounting standards. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgments regarding all necessary estimates and all other data available as at June 12, 2012.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The financial statements of Companies Office have been audited by Magnus Chartered Accountants LLP, independent external auditors. The responsibility of the auditor is to express an independent opinion on whether the financial statements of Companies Office are fairly represented, in all material respects, in accordance with Canadian public sector accounting standards. The Independent Auditors' Report outlines the scope of the audit examination and provides the audit opinion on the financial statements.

On behalf of Management of
Companies Office

Original signed by:

Myron Pawlowsky
Chief Operating Officer

Dave Rudy
Controller

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

Statement of Financial Position

(in thousands)

As at March 31, 2012, March 31, 2011, and April 1, 2010

	March 31 2012 Actual	March 31 2011 Actual (Restated - Note 4)	April 1 2010 Actual (Restated - Note 4)
Financial assets			
Cash and cash equivalents	\$ 5,319	\$ 4,122	\$ 3,182
Accounts receivable (Note 6)	348	273	370
Portfolio investments	829	821	518
	6,496	5,216	4,070
Liabilities			
Accounts payable and accrued liabilities	271	480	206
Accrued vacation entitlements	227	211	199
Employee future benefits (Note 7)	327	292	262
Borrowings from the Province of Manitoba (Note 8)	3,167	1,330	-
	3,992	2,313	667
Net financial assets	2,504	2,903	3,403
Non-financial assets			
Tangible capital assets (Note 9)	2,687	1,277	112
Prepaid expenses	35	39	35
	2,722	1,316	147
Accumulated surplus	\$ 5,226	\$ 4,219	\$ 3,550

Designated assets (Note 10)

Commitments (Note 11)

See accompanying notes to financial statements.

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

Statement of Operations

(in thousands)

Years ended March 31, 2012 and 2011

	2012 Budget	2012 Actual	2011 Actual (Restated - Note 4)
Revenue:			
Fees and services	\$ 6,930	\$ 7,876	\$ 7,463
Interest	3	38	20
	6,933	7,914	7,483
Expenses:			
Salaries and employee benefits	1,801	1,759	1,696
Operating expenses (Schedule)	3,382	2,633	2,601
Amortization of tangible capital assets	77	15	17
	5,260	4,407	4,314
Income before the transfer of funds to the Province of Manitoba	1,673	3,507	3,169
Transfer of funds to the Province of Manitoba (Note 12)	2,500	2,500	2,500
Net income for the year	(827)	1,007	669
Accumulated surplus, beginning of year	3,305	4,219	3,550
Accumulated surplus, end of year	\$ 2,478	\$ 5,226	\$ 4,219

See accompanying notes to financial statements.

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

Statement of Change in Net Financial Assets

(in thousands)

Years ended March 31, 2012 and 2011

	2012 Budget	2012 Actual	2011 Actual (Restated - Note 4)
Net income for the year	\$ (827)	\$ 1,007	\$ 669
Tangible capital assets			
Acquisition of tangible capital assets	(1,866)	(1,425)	(1,181)
Amortization of tangible capital assets	77	15	17
Net acquisition of tangible capital assets	(1,789)	(1,410)	(1,164)
Other non-financial assets			
Increase in prepaid expenses during the year	-	4	(5)
Net acquisition of other non-financial assets	-	4	(5)
Increase (decrease) in net financial assets	(2,616)	(399)	(500)
Net financial assets, beginning of year	1,838	2,903	3,403
Net (debt) financial assets, end of year	\$ (778)	\$ 2,504	\$ 2,903

See accompanying notes to financial statements.

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

Statement of Cash Flow

(in thousands)

Years ended March 31, 2012 and 2011

	2012 Actual	2011 Actual (Restated - Note 4)
Cash provided by (applied to):		
Operating activities:		
Net income for the year	\$ 1,007	\$ 669
Adjustment for		
Amortization of tangible capital assets	15	17
	1,022	686
Changes in the following:		
Accounts receivable	(75)	96
Prepaid expenses	4	(5)
Accounts payable and accrued liabilities	(209)	275
Accrued vacation entitlements	16	12
Employee future benefits	35	30
Cash provided by operating activities	793	1,094
Capital activities:		
Capital asset additions	(1,425)	(1,181)
Cash applied to capital activities	(1,425)	(1,181)
Financing activities:		
Debt repayments to the Province of Manitoba	(133)	-
Borrowings from the Province of Manitoba	1,970	1,330
Cash provided by financing activities	1,837	1,330
Investing activities:		
Portfolio investments	(8)	(303)
Cash applied to investing activities	(8)	(303)
Change in cash and cash equivalents	1,197	940
Cash and cash equivalents, beginning of year	4,122	3,182
Cash and cash equivalents, end of year	\$ 5,319	\$ 4,122

See accompanying notes to financial statements.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

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 in the Department of Healthy Living, Seniors and Consumer Affairs under the direction of the Minister, the Deputy Minister, and the 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. Basis of accounting

As of April 1, 2011, the Agency adopted Canadian public sector accounting (PSA) standards with a transition date of April 1, 2010. These are the Agency's first financial statements prepared in accordance with PSA standards. More details on the transition to PSA standards are provided in Note 4 to these financial statements.

The adoption of PSA standards includes the early adoption of PS 1201 Financial Statement Presentation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments, and new PS 3410 Government Transfers.

3. Significant accounting policies

(a) Revenue

Fees and services

Fees and services revenue is recognized when the rendering of services is complete or substantially complete.

Other revenue

All other revenues are recorded on an accrual basis.

(b) Expenses

Accrual accounting

All expenses incurred for goods and services are recognized on an accrual basis.

Government transfers

Government transfers are recognized as expenses in the period in which the transfers are authorized and all eligibility criteria have been met.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

3. Significant accounting policies (continued)

(c) Financial assets

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short term deposits and investments with original maturities of three months or less.

Accounts receivable

Accounts receivable are recorded at the lower of cost and net realizable value. An allowance for doubtful accounts is recorded when there is uncertainty whether the amounts will be collected.

Portfolio investments

Portfolio investments are deposits or investments with original maturities of greater than three months. These investments are recognized at cost.

(d) Liabilities

Liabilities are present obligations as a result of transactions and events occurring at or prior to the end of the fiscal year the settlement of which will result in the future transfer or use of assets or other form of settlement. Liabilities are recognized when there is an appropriate basis of measurement and a reasonable estimate can be made of the amount involved.

(e) Non-financial assets

Non-financial assets do not normally provide resources to discharge existing liabilities of the Agency. These amounts are normally employed to provide future services.

Tangible capital assets

Tangible capital assets are recognized at cost. Cost includes the purchase price as well as other acquisition costs. The costs of tangible capital assets, less any residual value, are amortized over their 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)
System development costs	15 years straight line

Prepaid expenses

Prepaid expenses are payments for goods or services that will provide economic benefit in future periods. The prepaid amount is recognized as an expense in the year that the goods or services are consumed.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

3. Significant accounting policies (continued)

(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

4. First-time adoption of Public Sector Accounting Standards

In previous fiscal years, the Agency classified itself as a Government Business-Type Organization (GBTO) and followed the recommendations of the Canadian Institute of Chartered Accountants Accounting Handbook – Part V. In October 2009, the Public Sector Accounting Board (PSAB) determined that the category would cease to exist for fiscal years ending on or after January 1, 2011, and that GBTOs are required to reclassify themselves in accordance with Public Sector Accounting (PSA) standards. In accordance with recommendations of the Public Sector Accounting Handbook, the Agency has determined that it is an “other government organization” and has determined that PSA standards are the most appropriate framework for financial reporting purposes.

These new standards are required to be applied retroactively. The impacts of this change are as follows:

(a) Cash and cash equivalents	<u>March 31, 2011</u>	<u>April 1, 2010</u>
Cash and short term deposits as per previous financial statements	\$ 4,725	\$ 3,482
Less: amounts reclassified from short term deposits to portfolio investments	<u>(603)</u>	<u>(300)</u>
Cash and cash equivalents as per PSA standards	\$ <u>4,122</u>	\$ <u>3,182</u>
(b) Portfolio investments	<u>March 31, 2011</u>	<u>April 1, 2010</u>
Portfolio investments as per previous financial statements	\$ -	\$ -
Add: amounts reclassified from short term deposits to portfolio investments	603	300
Add: amounts reclassified from long term investment to portfolio investments	<u>218</u>	<u>218</u>
Portfolio investments as per PSA standards	\$ <u>821</u>	\$ <u>518</u>
(c) Employee future benefits	<u>March 31, 2011</u>	<u>April 1, 2010</u>
Severance liability as per previous financial statements	\$ 251	\$ 221
Add: sick pay benefits recognized per PSA standards - Note (i)	<u>41</u>	<u>41</u>
Employee future benefits as per PSA standards	\$ <u>292</u>	\$ <u>262</u>

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

Notes to Financial Statements
(in thousands)
Year ended March 31, 2012

4. First-time adoption of Public Sector Accounting Standards (continued)

(d) Tangible capital assets	<u>March 31, 2011</u>	<u>April 1, 2010</u>
Capital assets as per previous financial statements	\$ 37	\$ 50
Intangible capital assets reclassified to tangible capital assets	<u>1,240</u>	<u>62</u>
Tangible capital assets as per PSA standards	<u>\$ 1,277</u>	<u>\$ 112</u>
(e) Accumulated surplus	<u>March 31, 2011</u>	<u>April 1, 2010</u>
Equity as per previous financial statements	\$ 4,260	\$ 3,591
Less: sick pay benefits recognized per PSA standards - Note (i)	<u>41</u>	<u>41</u>
Accumulated surplus as per PSA standards	<u>\$ 4,219</u>	<u>\$ 3,550</u>
(f) Net income		<u>March 31, 2011</u>
Net income as per previous financial statements		\$ 3,169
Less: transfer of funds to the Province of Manitoba previously shown as a reduction of retained earnings - Note (ii)		<u>(2,500)</u>
Net income as per PSA standards		<u>\$ 669</u>
(g) Cash flows		

The adoption of PSA standards did not impact the net cash flows of the Agency. However, the adjustments made to cash and cash equivalents, portfolio investments, employee future benefits, tangible capital assets, accumulated surplus and net income resulted in reclassifications to certain amounts presented in the statement of cash flow.

Notes:

- (i) PSA standards require the recognition of a liability for future sick pay benefits that accumulate but do not vest. Recognition of a liability for sick pay benefit that accumulate but do not vest was not required under the previous standards.
- (ii) Transfer of funds to the Province of Manitoba is presented as an expense in the statement of operations. In the previous financial statements, this transfer was presented as a reduction of retained earnings.

5. Financial instruments and financial risk management

Measurement

Financial instruments are classified into one of two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Agency's records its financial assets at cost. Financial assets include cash and cash equivalents, accounts receivable and portfolio investments. The Agency also records its financial liabilities at cost. Financial liabilities include accounts payable and accrued liabilities and borrowings.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

5. Financial instruments and financial risk management (continued)

Gains and losses on financial instruments measured at fair value are recorded in accumulated surplus as re-measurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative re-measurement gains and losses are reclassified to the statement of operations. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs.

The Agency did not incur any re-measurement gains and losses during the year (2011 - \$nil).

Financial risk management - overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest rate risk; and foreign currency risk.

Credit risk

In the normal course of operations the Agency is exposed to various financial risks. This financial risk management objectives and policies are as follows:

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and cash equivalents, accounts receivable and portfolio investments.

The maximum exposure of the Agency to credit risk as at March 31 is:

	2012	2011
Cash and cash equivalents	\$ 5,319	\$ 4,122
Accounts receivable	348	273
Portfolio investments	829	821
	\$ 6,496	\$ 5,216

Cash and cash equivalents and portfolio investments: The Agency is not exposed to significant credit risk as the cash and cash equivalents and portfolio investments are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the balance of the accounts receivable is due from a large client base and payment in full is typically collected when it is due. The Agency manages this credit risk through close monitoring of any overdue accounts.

The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

There was no change in the allowance for doubtful accounts during the year and the balance at March 31, 2012 was \$nil (2011 - \$nil).

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

5. Financial instruments and financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet its obligations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and cash equivalents and portfolio investments.

The interest rate risk on cash and cash equivalents is considered to be low due to their short-term nature. The interest rate risk on portfolio investments is considered low as the original deposits are reinvested at rates for investments with similar terms and conditions.

The Agency manages its interest rate risk on borrowings through the exclusive use of fixed rate terms for its borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any significant financial instruments denominated in a foreign currency.

6. Accounts receivable

	2012	2011
Trade accounts receivable	\$ 43	\$ 43
Accrued revenue	305	230
	\$ 348	\$ 273

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

7. Employee future benefits

	2012	2011
Severance benefits	\$ 286	\$ 251
Sick pay benefits	41	41
	\$ 327	\$ 292

Pension benefits

Employees of SOAs are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Agency, through the Civil Service Superannuation Fund.

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 2012 was \$95 (2011 - \$91). Under this agreement, the Agency has no further pension liability.

Severance benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of the severance benefit obligation is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2011. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarially determined net liability for accounting purposes as at March 31, 2012 was \$286 (2011 - \$251) with the actuarial loss being amortized over the 15 year expected average remaining service life of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2011 valuation, and in the determination of the March 31, 2012 present value of the accrued severance benefit obligation, were:

Annual rate of return	
inflation component	2.00%
real rate of return	4.00%
	6.00%
Assumed salary increase rates	
annual productivity increase	1.00%
annual general salary increase	2.75%
	3.75%

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

7. Employee future benefits (continued)

Sick pay benefits

The Financing Authority provides sick leave benefits for employees that accumulate but do not vest. The accrued benefit obligation related to sick leave entitlement earned by employees is determined using a valuation model developed by an actuary. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. These assumptions include a 6.00% annual return and a 3.75% annual salary increase.

8. Borrowings from the Province of Manitoba

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed in this Note on behalf of the Agency.

Borrowings obtained through the use of available Loan Act Authority are repayable in quarterly instalments of principal and interest as follows:

	2012	2011
4.0% repayable in quarterly instalments of \$33 principal plus interest, maturing in 2021	\$ 1,197	\$ 1,330
3.0% repayable in quarterly instalments of \$49 principal plus interest, maturing in 2022	1,970	-
	\$ 3,167	\$ 1,330

Interest is measured using the effective interest method. Principal repayments in each of the next five years are as follows:

2013	\$ 330
2014	330
2015	330
2016	330
2017	330

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

9. Tangible capital assets

	2012			2011	
	Opening Balance	Additions	Disposals	Closing Balance	Total
Cost					
Computer equipment and software	\$ 107	\$ 4	\$ -	\$ 111	\$ 107
Office equipment	16	-	-	16	16
Furniture and fixtures	136	-	-	136	136
Leasehold improvements	40	-	-	40	40
System development	1,240	1,421	-	2,661	1,240
	\$ 1,539	\$ 1,425	\$ -	\$ 2,964	\$ 1,539
Accumulated amortization					
Computer equipment and software	85	9	-	94	85
Office equipment	16	-	-	16	16
Furniture and fixtures	121	6	-	127	121
Leasehold improvements	40	-	-	40	40
Total accumulated amortization	\$ 262	\$ 15	\$ -	\$ 277	\$ 262
Net book value	\$ 1,277	\$ 1,410	\$ -	\$ 2,687	\$ 1,277

During the year, system development costs were capitalized in the amount of \$1,422 (2011 - \$1,178). Amortization will commence when construction is complete and the system is available for use.

10. Designated assets

The Agency has allocated \$218 (2011 - \$218) of its portfolio investments as designated assets for cash received from the Province of Manitoba for the vacation entitlements earned by employees of the Agency prior to its designation as an SOA and the severance pay benefits accumulated to March 31, 1998 for certain of the Agency's employees. This amount is held in an interest bearing account until the cash is required to discharge the related liabilities. Any unused balance is re-invested annually.

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

Notes to Financial Statements

(in thousands)

Year ended March 31, 2012

11. Commitments

Lease commitment

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, 2013 are estimated to be \$122 (2012 actual - \$124).

Other

As at March 31, 2012, the Agency has committed to paying a total of \$50 relating to the new system development costs. These amounts were paid by the Agency subsequent to year end in accordance with the underlying contract.

12. Transfer of funds to the Province of Manitoba

During the year, with Lieutenant-Governor-in-Council approval by Order in Council, the Agency transferred \$2,500 (2011 - \$2,500) of its surplus funds to the Province of Manitoba. These amounts are recorded as an expense in the statement of operations.

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

Schedule of Operating expenses

(in thousands)

Year ended March 31, 2012

	2012	2011
Accounting	\$ 20	\$ 11
Audit	6	7
Bad debts	3	1
Bank charges	49	52
Communications	28	30
Computer	147	122
Department services	36	36
Desktop	103	98
Electronic storage	76	84
Equipment maintenance and rentals	3	6
Insurance	14	12
Interest on borrowings	51	4
Legal services	15	6
Manitoba Business Links	308	281
Miscellaneous	33	32
Name search application	173	159
New system costs	1,000	1,041
Notaries	131	129
Office rent	124	135
Payroll processing	20	20
POS Licence Fees	-	85
Postal and courier	53	54
Programmers	164	116
Stationery	72	74
Transportation	4	6
	\$ 2,633	\$ 2,601

INDEPENDENT AUDITORS' REPORT

To the Special Operating Agencies Financing Authority of
Companies Office

Report on the Schedule of Public Sector Compensation Disclosure

We have audited the accompanying Schedule of Public Sector Compensation Disclosure of Companies Office for the year ended March 31, 2012 ("the schedule"). The schedule has been prepared by management in accordance with *The Public Sector Compensation Disclosure Act*.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with *The Public Sector Compensation Disclosure Act*, and for such internal controls as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information included in the Schedule of Public Sector Compensation Disclosure of Companies Office for the year ended March 31, 2012, is prepared, in all material respects, in accordance with the provisions of *The Public Sector Compensation Disclosure Act*.



Magnus Chartered Accountants LLP

June 12, 2012
Winnipeg, Canada

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

Schedule of Public Sector Compensation Disclosure

(in thousands)

Year ended March 31, 2012

Pursuant to the disclosure required by the *Public Sector Compensation Disclosure Act*, no remuneration or other benefits were paid to Advisory Board members during the year.

The *Public Sector Compensation Disclosure Act* also requires all public sector bodies to disclose compensation to any employee or officer when such compensation is \$50 or more per annum. This information is as follows:

Employee	Title	Compensation	
		2012	2011
Myron Pawlowsky	Chief Operating Officer	\$ 95	\$ 95
Shane Lasker	Deputy Director - Legal	75	75
David Rudy	Controller	72	72
Linda Kalinski	Deputy Director - Operations - Seconded to Cobra Project	77	66
Catherine Shaw	Manager, Manitoba Business Links	69	66
Cari Bowley	System Analyst	66	63
Susan Poseluzney	Acting Deputy Director - Operations	51	54
Isabelle Aubin	Assistant Manager - Seconded to Cobra Project	59	53
Gail Carter	Acting Deputy Director - Operations	54	51
Cheryl Poirier	Examiner	50	-

