

BAYTEX ENERGY TRUST
Form 40-F
March 29, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

(CHECK ONE)

Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

Annual Report pursuant to Section 13(1) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended: December 31, 2004
Commission File Number: 333-07612

BAYTEX ENERGY TRUST

(Exact name of Registrant as specified in its charter)

Alberta

1311

Not Applicable

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(Province or other jurisdiction of
incorporation or organization)

(Primary standard industrial
classification code number, if
applicable)

(I.R.S. employer identification
number,
if applicable)

**Suite 2200, 205 5 Avenue S.W.
Calgary, Alberta
T2P 2V7
(403) 269-4282**

(Address and telephone number of registrant's principle executive offices)

**CT Corporation System
111 Eighth Avenue**

New York, NY 10011

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(212) 894-8940

(Name, address (including zip code) and telephone number
(including area code) of agent for service in the United States)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class: Name of each exchange on which registered:
NONE

Securities registered pursuant to Section 12(g) of the Act:

TRUST UNITS

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

NONE

For annual reports, indicate by check mark the information filed with this form:

Annual Information Form Audited Annual Financial Statements

Indicate the number of outstanding shares of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Trust Units: 66,538,252

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the Exchange Act). If Yes is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Except where otherwise indicated, all dollar amounts stated in this Annual Report on Form 40-F are in Canadian dollars.

Baytex Energy Trust (the Registrant) conducts its principal business through an operating subsidiary, Baytex Energy Ltd. (the Company). The Registrant is a voluntary filer and files annual reports on Form 40-F and amendments to such reports and furnishes current information on Form 6-K to the Securities and Exchange Commission.

Principal Documents

The following documents have been filed as part of this Annual Report on Form 40-F:

A. *Annual Information Form*

For the Annual Information Form for the year ended December 31, 2004, see Exhibit 1 of this Annual Report on Form 40-F.

B. *Audited Annual Financial Statements*

For the consolidated audited financial statements for the year ended December 31, 2004, including the report of independent registered chartered accountants with respect thereto, see Exhibit 2 of this Annual Report on Form 40-F. For a reconciliation of differences between Canadian and United States generally accepted accounting principles, see Note 20 of the Notes to the Consolidated Financial Statements.

C. *Management's Discussion and Analysis*

For Management's Discussion and Analysis for the year ended December 31, 2004, see Exhibit 3 of this Annual Report on Form 40-F.

Controls and Procedures

A. *Disclosure Controls and Procedures*

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The Company's Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively) have concluded, based on their evaluation as of the end of the period covered by this Annual Report on Form 40-F (the evaluation date), that the Registrant's and the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by it in reports filed or submitted by it under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and includes controls and procedures designed to ensure that information required to be disclosed by it in such reports is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

It should be noted that while the registrant's principal executive officer and principal financial officer believe that the registrant's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the registrant's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

B. *Changes in Internal Control Over Financial Reporting*

There have been no significant changes to the Company's internal control over financial reporting or in other factors that could significantly affect internal control over financial reporting subsequent to the evaluation date and prior to the filing date of this Annual Report on Form 40-F.

Code of Ethics

The Company's code of ethics, which is applicable to its principal executive officer and senior financial officers, is posted on its website at www.baytex.ab.ca. In the event that the Company:

- (i) amends any provision of its Code of Ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions that relates to any element of the code of ethics definition enumerated in paragraph (9)(b) of General Instruction B to Form 40-F, or
- (ii) grants a waiver, including an implicit waiver, from a provision of its Code of Ethics to any of the Company's principal executive officer, principal financial officer, principal accounting officer, or controller or persons performing similar functions that relates to any element of the code of ethics definition as enumerated in paragraph (9)(b) of General Instruction B to Form 40-F,

the Company will disclose on its website any amendment to, or waiver of, a provision of its Code of Ethics within five business days following the date of any such amendment or waiver, and will, in the case of a waiver, name the persons to whom the waiver was granted.

Principal Accountant Fees and Services

The following table provides information about the fees billed to the Registrant and to the Company for professional services rendered by Deloitte & Touche LLP, the Registrant's principal accountant, during fiscal 2004 and 2003:

| | Aggregate fees billed by the Principal Accountant | |
|--------------------|---|------|
| | 2004 | 2003 |
| | (\$thousands) | |
| Audit fees | 109 | 156 |
| Audit-related fees | 146 | 218 |
| Tax fees | 184 | 101 |
| All other fees | 69 | 73 |
| | 508 | 548 |

Audit Fees. Audit fees consist of fees for the audit of the Registrant's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.

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Audit-Related Fees. Audit-related services included audit of certain subsidiaries and financial aspects of the Registrant.

Tax Fees. Tax fees included tax planning and various taxation matters.

All Other Fees. Other services provided by the Registrant's principal accountant, other than audit, audit-related and tax services, included advisory services associated with the Sarbanes-Oxley Act of 2002.

The Audit Committee must pre-approve all non-audit services to be provided to the Trust or its subsidiaries by the external auditors. The Audit Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member report to the Audit Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Audit Committee from time to time.

The Registrant's Board of Directors has determined that Mr. Naveen Dargan is an audit committee financial expert (as defined in paragraph 8(b) of General Instruction B to Form 40-F) serving on its audit committee. Pursuant to paragraph 8(a)(2) of General Instruction B to Form 40-F, the Board has applied the definition of Independence applicable to the audit committee members of the New York Stock Exchange (NYSE) listed companies. Mr. Dargan is a corporate director and meets the NYSE definition of Independence. For a description of Mr. Dargan relevant experience in financial matters, see the five-year history in the section Directors and Officers in the Registrant's Annual Information Form for the year ended December 31, 2004, which is included as Exhibit 1 to this Annual Report on Form 40-F.

Contractual Obligations

Information regarding contractual obligations of the Registrant is included in the Registrant's Management's Discussion and Analysis for the year ended December 31, 2004, which is filed as Exhibit 3 to this Annual Report on Form 40-F.

Off-Balance Sheet Arrangements

The Registrant does not have any off-balance sheet arrangements.

UNDERTAKING

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Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

A Form F-X signed by the Registrant and its agent for service of process was filed with the Commission together with the Registrant's Annual Report on Form 40-F for the fiscal year ended December 31, 2002.

Any change to the name and address of the agent for service for service of process of the Registrant shall be communicated promptly to the Securities and Exchange Commission by an amendment to the Form F-X referencing the file number of the relevant registration statement.

SIGNATURES

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Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Registrant: BAYTEX ENERGY TRUST
By: Baytex Energy Ltd.

By: /s/ Daniel G. Belot
Name: Daniel G. Belot
Title: Vice-President Finance and Chief Financial Officer

Date: March 29, 2005

Form 40-F Table of Contents

| Exhibit No. | Document |
|--------------------|--|
| 99.1 | Annual Information Form of the Registrant for the fiscal year ended December 31, 2004 |
| 99.2 | Comparative audited Financial Statements of the Registrant for the year ended December 31, 2004, including reconciliation to United States generally accepted accounting principles, together with the Report of the Independent Registered Chartered Accountants thereon. |
| 99.3 | Management's Discussion and Analysis of the Registrant for the year ended December 31, 2004. |
| 99.4 | Certification of Chief Executive Officer under Section 302 of the <i>Sarbanes-Oxley Act of 2002</i> . |
| 99.5 | Certification of Chief Financial Officer under Section 302 of the <i>Sarbanes-Oxley Act of 2002</i> . |
| 99.6 | Certification of Chief Executive Officer under Section 906 of the <i>Sarbanes-Oxley Act of 2002</i> . |
| 99.7 | Certification of Chief Financial Officer under Section 906 of the <i>Sarbanes-Oxley Act of 2002</i> . |
| 99.8 | Consent of Deloitte & Touche, LLP, Independent Registered Chartered Accountants. |
| 99.9 | Consent of Sproule Associates Limited., independent engineers. |