

AgriTECH Park Incorporated

Financial Statements

March 31, 2009

June 22, 2009

Auditors' Report

To the Board of Directors of
AgriTECH Park Incorporated

We have audited the balance sheet of **AgriTECH Park Incorporated** (the "Company") as at March 31, 2009 and the statements of Income and retained earnings (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants

AgriTECH Park Incorporated

Balance Sheet

As at March 31, 2009

	2009 \$	2008 \$
Assets		
Current assets		
Accounts receivable	<u>—</u>	<u>115,513</u>
Liabilities		
Due to Nova Scotia Department of Agriculture (note 6)	<u>13,239</u>	<u>154,618</u>
Shareholder's Equity (Deficiency)		
Capital stock (note 8)	1	1
Retained earnings (deficit)	<u>(13,240)</u>	<u>(39,106)</u>
	<u>(13,239)</u>	<u>(39,105)</u>
	<u>—</u>	<u>115,513</u>

Approved by the Board of Directors

Director

Director

AgriTECH Park Incorporated

Statement of Income and Retained Earnings (Deficit)

For the year ended March 31, 2009

	2009 \$	2008 \$
Revenue		
Conference		
Meals	45,507	155,003
Lodging	5,513	94,013
Rental		
Facilities	225,964	225,909
Other	2,248	6,020
Sundry	45,920	28,126
	<u>325,152</u>	<u>509,071</u>
Operating expenses		
Advertising	202	166
Catering services	43,208	148,604
Heat	116,919	144,097
Lights	38,251	42,311
Motor vehicle	3,997	3,251
Office and postage	22,719	9,982
Professional fees	4,670	2,250
Repairs and maintenance	237,218	169,760
Salaries and benefits	197,949	251,864
Security	39,830	17,942
Sundry	35,514	11,288
Supplies	4,375	5,447
Telecommunications	14,563	28,955
	<u>759,415</u>	<u>835,917</u>
Loss from operations before departmental recoveries and grants	(434,263)	(326,846)
Departmental recoveries and grants (note 6)	<u>460,129</u>	<u>139,767</u>
Net income (loss) for the year	25,866	(187,079)
Retained earnings (deficit) – Beginning of the year	<u>(39,106)</u>	<u>147,973</u>
Deficit – End of year	<u>(13,240)</u>	<u>(39,106)</u>

AgriTECH Park Incorporated

Statement of Cash Flows

For the year ended March 31, 2009

	2009 \$	2008 \$
Cash provided by (used in)		
Operating activities		
Net income (loss) for the year	25,866	(187,079)
Net change in non-cash working capital items related to operations		
Decrease (increase) in accounts receivable	115,513	(81,448)
Increase (decrease) in payable to/from Nova Scotia Department of Agriculture balance (note 6)	(141,379)	268,527
Net change in cash during the year and Cash - End of year	<u>—</u>	<u>—</u>

AgriTECH Park Incorporated

Notes to Financial Statements

For the year ended March 31, 2009

1 Governing status and nature of activities

The Company, incorporated under the Nova Scotia Companies Act on December 9, 1997, operates a business development and agri-business centre in Bible Hill, Nova Scotia. In addition to offering rental and conference facilities, AgriTECH Park Incorporated's objective is to assist in the development of innovative products and services in the agricultural and environmental sectors in Atlantic Canada.

2 Significant accounting policies

New accounting policies adopted

Effective April 1, 2008, the Company adopted the following new accounting standards issued by the Accounting Standards Board: (i) Section 1535, *Capital Disclosures*; (ii) Section 3862, *Financial Instruments – Disclosures*; Section 3863, *Financial Instruments – Presentation*; (iii) Section 3031, *Inventories* and Section 1400, *General Standards of Financial Statement Presentation*.

Section 1535, *Capital Disclosures*, establishes disclosure requirements about an entity's capital and how it is managed to enable users of the financial statements to evaluate the entity's objectives, policies and processes for managing capital.

Section 3862, *Financial Instruments – Disclosures*, describes the required disclosures related to the significance of financial instruments on the Company's financial position and performance and the nature and extent of risks arising for financial instruments to which the entity is exposed and how the entity manages those risks.

Section 3863, *Financial Instruments – Presentation*, establishes standards for presentation of financial instruments and non-financial derivatives.

Section 1400, *General Standards of Financial Statement Presentation*

This Section provides revised guidance related to managements responsibility to assess and disclose the ability of the entity to continue as a going concern. The implementation of this Section did not affect the general results of the Company.

Future accounting changes

Not-for-profit financial statements presentation and disclosures

In September 2008, the CICA released amendments to its financial statement presentation and disclosure requirements for not-for-profit organizations outlined in sections 4400, 4430, 4460, 4472, 1100, 1542 and 1751. Most of these changes bring the financial statement presentation and disclosure standards for not-for-profit organizations in line with those of non-public accountable enterprises. These changes are effective for fiscal years beginning on or after April 1, 2009. The Company has not yet fully studied the effects that the application of these changes will have on its financial statements.

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Notes to Financial Statements

For the year ended March 31, 2009

2 Significant accounting policies (continued)

Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles may require the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

Property, plant and equipment

It is the policy of the company to include in operating expenses the cost of additions to property, plant and equipment in the year.

3 Financial instrument and risk management

i. Financial instruments

The Company's financial instruments consist of accounts receivable and the due to Nova Scotia Department of Agriculture. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value.

ii. Risk Management

Senior management of the Company is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

a) Concentration of credit risk

Management believes the Company has no significant credit concentration as they are not dependent on a small group of customers for its revenue.

b) Interest rate risk

Management believes the Company has no significant interest rate risk as they have no current debt outstanding.

c) Liquidity and cash flow risk

Management believes the Company has no significant risk from liquidity or cash flow but this is dependant on ongoing support from the Department of Agriculture and Fisheries as disclosed in note 5.

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Notes to Financial Statements

For the year ended March 31, 2009

4 Income taxes

The Company is exempt from taxation under Section 149(1)(l) of the Income Tax Act.

5 Economic dependence

The Company receives significant operating contributions from, and is considered to be economically dependent on the Nova Scotia Department of Agriculture and Fisheries for its continued economic viability.

6 Related party transactions

The Company is related to the Nova Scotia Department of Agriculture, as the only common share of the Company is held by the Deputy Minister of this department. Transactions between these related parties are departmental recoveries and grants in the amount of \$460,129 (2008 - \$139,767). Amounts due to the Nova Scotia Department of Agriculture are disclosed separately in the financial statements. The land and building which the Company operates and manages is owned by the Province of Nova Scotia and the use of these facilities is provided to the Company at no cost.

The Company is also related to another company by reason of a common shareholder. Transactions between these related parties are facilities rental in the amount of \$58,700 (2008 - \$35,472).

7 Capital management

The Company defines capital as shareholder's equity (deficit). Currently, the Company has no defined targets for net assets, and operates under the culture of a balanced budget, with goals of modest surplus to build capital. Management intends to formalize its capital management targets in the near future. There are currently no external restrictions on capital for the Company.

8 Capital stock

Authorized
50,000 common shares

Issued

1 common share

2009
\$

2008
\$

1

1