

AgriTECH Park Incorporated

Financial Statements
March 31, 2011

June 28, 2011

PricewaterhouseCoopers LLP
Chartered Accountants
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Independent Auditor's Report

To the Board of Directors of AgriTECH Park Incorporated

We have audited the accompanying financial statements of the **AgriTECH Park Incorporated** (the "Company") which comprise the statement of financial position as at March 31, 2011 and the statements of income and retained earnings for the year then ended and the related notes including a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 judgement, including the assessment of the risk 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, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2011 and the results of its operations 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, 2011

	2011 \$	2010 \$
Assets		
Current assets		
Due from Nova Scotia Department of Agriculture	221,380	8,248
	<hr/>	<hr/>
Liabilities		
Due to Nova Scotia Department of Agriculture (note 5)	—	—
	<hr/>	<hr/>
Shareholder's Equity		
Capital stock (note 7)	1	1
Retained earnings	221,379	8,247
	<hr/>	<hr/>
	221,380	8,248
	<hr/>	<hr/>
	221,380	8,248
	<hr/>	<hr/>

Approved by the Board of Directors

_____ Director

_____ Director

AgriTECH Park Incorporated
Statement of Income and Retained Earnings
For the year ended March 31, 2011

	2011 \$	2010 \$
Revenue		
Conference		
Meals	50,012	46,573
Rental		
Facilities	277,692	239,031
Other	22,243	2,272
Sundry	11,735	13,602
	<hr/> 361,682	<hr/> 301,478
Operating expenses		
Advertising	918	359
Catering services	54,660	46,469
Heat	108,774	93,200
Lights	47,526	46,609
Motor vehicle	3,952	4,610
Office and postage	2,460	2,407
Professional fees and special services	4,863	3,749
Repairs and maintenance	178,080	210,948
Salaries and benefits	224,894	207,552
Security	41,553	40,432
Sundry	20,522	11,550
Supplies	7,911	3,799
Telecommunications	7,256	14,514
	<hr/> 703,369	<hr/> 686,198
Loss from operations before departmental recoveries and grants	(341,687)	(384,720)
Departmental recoveries and grants (note 5)	554,819	406,207
Net income for the year	213,132	21,487
Retained earnings (deficit) – Beginning of the year	8,247	(13,240)
Retained earnings – End of year	<hr/> 221,379	<hr/> 8,247

AgriTECH Park Incorporated

Notes to Financial Statements

For the year ended March 31, 2011

1 Governing status and nature of activities

AgriTECH Park Incorporated (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, the Company’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

Financial instruments

Financial instruments are to be recognized depending on their classification and the Company has implemented the following classifications:

- Due to Nova Scotia Department of Agriculture is classified as “Accounts receivable” or “Accounts payable” depending on the position at fiscal year end. After its initial fair value measurement, it is measured at cost.

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 Income taxes

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

4 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.

AgriTECH Park Incorporated

Notes to Financial Statements

For the year ended March 31, 2011

5 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 \$554,819 (2010 - \$\$406,207). 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 \$57,000 (2010 - \$62,150).

6 Capital management

The Company defines capital as shareholder's equity. 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.

7 Capital stock

Authorized
50,000 common shares

Issued

1 common share

2011	2010
\$	\$

1	1
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AgriTECH Park Incorporated

Notes to Financial Statements

For the year ended March 31, 2011

8 Financial instruments and risk management

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

a) Fair market value

The Company's recognized financial assets consist of due to Nova Scotia Department of Agriculture. The fair value of the assets and liabilities approximates carrying value due to their short-term nature.

b) Concentration of credit risk

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

c) Interest rate risk

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

d) Liquidity and cash flow risk

Management believes the Company has no significant risk from liquidity or cash flow but this is dependent on ongoing support from the Department of Agriculture and Fisheries as disclosed in note 4.

