Financial Statements of

RENOVA SCOTIA BIOENERGY INC. formerly Bowater Mersey Paper Company (Note 1)

March 31, 2014

RENOVA SCOTIA BIOENERGY INC.

For the year ended March 31, 2014

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board of Directors. The Board of Directors reviews the financial position of Renova Scotia Bioenergy Inc. on a quarterly basis and reviews its external audited financial statements yearly.

The external auditor, PricewaterhouseCoopers LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the financial statements. The external auditor has full and free access to financial management of Renova Scotia Bioenergy Inc. and meet when required.

On behalf of Renova Scotia Bioenergy Inc.

Jeffrey Larsen, CEO

Duff Montgomerie, Chairman

July 4, 2014

July 4, 2014

Independent Auditor's Report

To the Members of the Legislative Assembly and to the Minister of Finance and the Directors of Renova Scotia Bioenergy Inc.

We have audited the accompanying financial statements of Renova Scotia Bioenergy Inc., which comprise the statements of financial position as at March 31, 2014 and the statements of operations, remeasurement gains, changes in net assets in liquidation and cash flows for the year then ended, and the related notes, which comprise 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, the financial statements present fairly, in all material respects, the financial position of Renova Scotia Bioenergy Inc. as at March 31, 2014 and the results of its operations, its remeasurement gains and losses, changes in its net assets in liquidation and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP
Summit Place, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, Canada B3J 3P6
T: +1 902 491 7400, F: +1 902 422 1166, www.pwc.com/ca

RENOVA SCOTIA BIOENERGY INC.
For the year ended March 31, 2014

RENOVA SCOTIA BIOENERGY INC
Statement of Financial Position
As at March 31, 2014
($000's)

	Note	**March 31, 2014**	March 31, 2013
FINANCIAL ASSETS			
Cash		**27,552**	30,164
Restricted cash	6	**1,275**	-
Due from Resolute Forest Products	3	**-**	3,773
Due from related party	4	**143**	55
Prepaid expenses		**97**	278
Assets held for sale	5	**2,507**	30,566
		31,574	64,836
LIABILITIES			
Trade accounts payable and accrued liabilities		**490**	1,333
HST payable		**126**	512
Due to Nova Scotia Job Fund	7	**3,876**	19,396
Due to Brooklyn Power Corporation		**-**	801
Pension and other post employment obligations	8	**19,300**	24,700
Severance		**551**	2,227
Brooklyn Power Corporation closure costs	6	**1,275**	-
Closure costs	9	**2,544**	11,495
		28,162	60,464
NET ASSETS IN LIQUIDATION		**3,412**	4,372
COMPANY POSITION			
Capital stock (Common shares of no par value, authorized and issued: 3,000,000 shares)		**1,269**	1,269
Accumulated deficit		**(2,368)**	(126)
Accumulated remeasurement gains		**4,511**	3,229
		3,412	4,372

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

RENOVA SCOTIA BIOENERGY INC
Statement of Operations
For the year ended March 31, 2014
($000's)

	March 31, 2014	For the period from December 10, 2012 to March 31, 2013
Revenues		
Interest income	**159**	37
Miscellaneous income	**206**	-
	365	37
Expenses		
Interest expense	**243**	163
	243	163
Other		
Carrying costs associated with the sale of assets	**2,364**	-
	2,364	-
Net loss for the year	**(2,242)**	(126)
Accumulated deficit, beginning of year	**(126)**	-
Accumulated deficit, end of year	**(2,368)**	(126)

RENOVA SCOTIA BIOENERGY INC
Statement of Remeasurement Gains
For the year ended March 31, 2014
($000's)

	March 31, 2014	For the period from December 10, 2012 to March 31, 2013
Accumulated remeasurement gains, beginning of year	**3,229**	-
Unrealized gains attributed to:		
Actuarial experience gain	**1,282**	3,229
Accumulated remeasurement gains, end of year	**4,511**	3,229

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

RENOVA SCOTIA BIOENERGY INC

Statement of Changes in Net Assets in Liquidation

For the year ended March 31, 2014
($000's)

	Closure activities	Continuing activities	March 31, 2014
Increases in net assets in liquidation			
Net proceeds from sale of assets held for sale	26,031	-	26,031
Net proceeds from Resolute Forest Products	3,959	-	3,959
Increase in cash (interest income)	-	159	159
Increase in cash (miscellaneous income)	137	-	137
Increase in cash (HST)	539	-	539
Increase in restricted cash (escrow)	1,275	-	1,275
Increase in due from related party	88	-	88
Increase in due from Brooklyn Power Corporation	2,608	-	2,608
Decrease in trade accounts payable and accrued liabilities	843	-	843
Decrease in HST payable	386	-	386
Decrease in payable to Nova Scotia Job Fund	15,520	-	15,520
Decrease in due to Brooklyn Power Corporation	801	-	801
Decrease in pension and other post employment benefits	5,400	-	5,400
Decrease in employee termination liability	1,676	-	1,676
Decrease in accrued closing costs	8,951	-	8,951
	68,214	159	68,373
Decreases in net assets in liquidation			
Decrease in cash (closure costs)	12,361	-	12,361
Decrease in cash (Nova Scotia Job Fund)	15,520	-	15,520
Decrease in cash (Brooklyn Power Corporation)	3,625	-	3,625
Decrease in cash (salaries and wages)	605	-	605
Decrease in cash (employee termination costs)	1,980	-	1,980
Decrease in cash (pension and other post employment benefits)	393	-	393
Decrease in cash (interest expense)	-	228	228
Decrease in receivable from Resolute Forest Products	3,773	-	3,773
Decrease in prepaid expenses	181	-	181
Decrease in assets held for sale	28,059	-	28,059
Decrease in due from Brooklyn Power Corporation	2,608	-	2,608
	69,105	228	69,333
Increase (decrease) in net assets in liquidation during the year	(891)	(69)	(960)
Net assets in liquidation, beginning of year	4,372	-	4,372
Net assets in liquidation, end of year	3,481	(69)	3,412

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

RENOVA SCOTIA BIOENERGY INC
Statement of Cash Flows
For the year ended March 31, 2014
($000's)

	March 31, 2014	For the period from December 10, 2012 to March 31, 2013
Operating activities		
Net loss for the period	**(2,242)**	(126)
Working capital changes:		
Accounts receivable	-	112
Due from Resolute Forest Products	**3,773**	(18,064)
Due from related party	**(88)**	(55)
Prepaid expenses	**181**	(178)
Trade accounts payable and accrued liabilities	**(843)**	(20)
HST payable	**(386)**	(93)
Due to Brooklyn Power Corporation	**(801)**	801
Pension and other post employment obligations	**(5,400)**	(87,300)
Severance	**(1,676)**	(2,729)
Brooklyn Power Corporation closure costs	**1,275**	-
Closure costs	**(8,951)**	(3,488)
Non-cash adjustments:		
Carrying costs associated with the sale of assets	**2,364**	-
Actuarial gain	**1,282**	3,229
	(11,512)	(107,911)
Investing activities		
Proceeds from sale of assets held for sale	**25,695**	-
Proceeds from sale of Timberlands	-	117,679
	25,695	117,679
Financing		
Proceeds from (repayments of) Nova Scotia Job Fund	**(15,520)**	19,396
	(15,520)	19,396
Change in cash flows for the year	**(1,337)**	29,164
Cash, beginning of year	**30,164**	1,000
Cash, end of year	**28,827**	30,164
Cash is comprised of:		
Cash	**27,552**	30,164
Restricted cash	**1,275**	-
	28,827	30,164

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

1. NATURE OF OPERATIONS

On December 10, 2012 (the "Acquisition Date"), the Province of Nova Scotia (the "Province") purchased 100% of the outstanding shares of the Bowater Mersey Paper Company ("Bowater"), along with its wholly owned subsidiary Brooklyn Power Corporation ("BPC") for one dollar with the aim to manage an orderly wind-up of the Bowater operations (the "Acquisition"). Effective December 11, 2012, the Nova Scotia Registrar for Joint Stock Companies approved the request of Bowater to change its name to Renova Scotia Bioenergy Inc. ("Renova" or the "Company").

Since the Acquisition Date, Renova has disposed of the majority of all assets held for sale under the agreements and plans in place at the Acquisition Date including the sale of 555,000 acres of commercial and protected woodlands to the Department of Natural Resources (the "Woodlands"), the sale of BPC to a third party and the sale of physical assets to a third party.

The Minister of Economic and Rural Development and Tourism holds 100% of the issued shares of Renova.

Renova is exempt from income taxes under the *Income Tax Act.*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of Renova have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") for provincial reporting entities established by the Canadian Public Sector Accounting Board, supplemented where appropriate by other accounting standards issued by the Canadian Institute of Chartered Accountants. The financial statements have been prepared on a liquidation basis as the wind-up is expected to be completed on August 31, 2014.

Employing pushdown accounting, Renova recorded the assets acquired and liabilities assumed in the Acquisition at their liquidation value on the Acquisition Date. Subsequent to the Acquisition, assets are carried at the lower of cost and net recoverable value. Liabilities and financial obligations to outside organizations are recorded at the estimated amount ultimately payable.

The financial statements were prepared using the following significant accounting policies:

Cash

Cash refers to cash on hand or on deposit with a financial institution.

Assets held for sale

Assets held for sale are those expected to be sold within one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension and other post-employment obligations

The wind-up liabilities for the defined benefit pension plans are determined using the accrued benefit actuarial cost method and are equal to the actuarial present value of all benefits earned by members for service up to December 28, 2012. All members are treated as if vested and Nova Scotia Pension Benefits Act Section 79 benefits have been included in the wind-up valuation for members and former members.

The wind-up liabilities for other pension related benefits are determined using the accrued benefit actuarial cost method and are equal to the actuarial present value of all benefits earned by members in respect of past and future periods.

The assumptions used are best estimates based on a wind-up settlement of the benefits as at March 31, 2014. Actuarial experience gains and losses are recognized immediately in accumulated remeasurement gains and losses.

Measurement uncertainty

Uncertainty in the determination of the amount at which an item is recorded in the financial statements is known as measurement uncertainty. Many items are measured using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be a material difference between the recognized amount and another reasonably possible amount.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Accounts in the financial statements subject to measurement uncertainty include estimates for pension and other post-employment obligations, and closure costs. The nature of the uncertainty in the estimate for pension and other obligations arises because actual results may differ significantly from the province's various assumptions about plan members and economic conditions in the marketplace. Uncertainty exists for accrued closure costs due to unforeseen costs in the wind-up of Renova.

3. DUE FROM/TO RESOLUTE FOREST PRODUCTS

Resolute Forest Products ("Resolute") was a parent company of Bowater. Prior to the sale of Bowater to the Province, Resolute funded the operations of Bowater via an intercompany account. As part of the transaction, Renova repaid the amount due to Resolute as of the Acquisition Date with the undertaking that specified procedures would be performed post-closing and adjustments would be forthcoming. It was determined that an overpayment was made as part of the transaction and an amount of $3,773 was owed from Resolute as at March 31, 2013. This amount was received during the year ended March 31, 2014.

(in thousands of dollars)

3. DUE FROM/TO RESOLUTE FOREST PRODUCTS (continued)

During the fiscal period ended March 31, 2014, $3,959 was collected from Resolute as consideration for Renova's overpayment of the amount outstanding as at the Acquisition Date.

The surplus of the overpayment of $186 on the realization of the amount owed from Resolute has been recorded in "Miscellaneous income" in the Statement of Operations.

4. DUE FROM RELATED PARTY

During the fiscal year ended March 31, 2014, several employees who managed the Woodlands while employed by Renova were maintained to manage the Woodlands on behalf of the Department of Natural Resources. The salaries and expenses of these employees, in the amount of $143 for the period from December 10, 2012 to June 30, 2013, were paid by Renova and will be reimbursed by the Department of Natural Resources.

5. ASSETS HELD FOR SALE

The following asset groups have been classified as held for sale:

	March 31, 2014	March 31, 2013
Brooklyn Power Corporation (BPC)	-	25,000
Other	**2,507**	5,566
	2,507	30,566

BPC

On July 22, 2013, Renova sold its investment in BPC for $25,000. The agreement of purchase and sale includes a steam purchase commitment (Note 11), as well as certain one-time transition costs, such as training costs and environmental related site costs. These one-time transition costs are included in the "Closure costs" liability (Note 9) with the exception of environmental related site costs which are recorded in "BPC closure costs" liability (Note 6).

Other

This asset category includes redundant buildings, lands and equipment that were previously held by Bowater.

6. RESTRICTED CASH FOR BPC CLOSURE COSTS

Under the purchase and sale agreement for the sale of BPC, $1,275 is being held in an interest bearing escrow account. Funds held in escrow are not to be released to Renova until all remaining environmental defects identified in the escrow agreement have been remediated, and confirmation of remediation from the consultant has been provided and accepted by all parties.

6. RESTRICTED CASH FOR BPC CLOSURE COSTS (continued)

If all environmental defects are not remediated as outlined in the escrow agreement an amount from funds held in escrow sufficient to remediate all remaining environmental defects shall be paid to the purchaser. Any balance plus interest from the escrow account shall be paid to Renova. Any excess of expenditure for environmental remediation over funds held in escrow shall be paid by Renova.

As at March 31, 2014, funds held in escrow reflect management's best estimate of the costs to be incurred for the remediation of environmental defects as outlined in the escrow agreement. As such, closure costs for the environmental remediation of BPC have been separately classified in the Statement of Financial Position.

7. DUE TO NOVA SCOTIA JOB FUND

Nova Scotia Job Fund (the "Fund") provided Renova with $1 to purchase the shares and access to a $30,000 credit facility for the purpose of settling the terms of the purchase agreement, including the intercompany account with Resolute.

The term for the loan is five years, bearing interest at the Province's five year cost of funds plus 0.25%. At the time the loan was entered into, the Province's five year cost of funds was 2.11%. The loan can be repaid in full at any time, without bonus or penalty.

8. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS

Renova offers a variety of pension and other post-employment benefits ("OPEB"). Renova is responsible for adequately funding the plans. At the Acquisition Date, all parties recognized that the intent was to wind-up the benefits. The cost of these benefits (including benefits accrued for service after the Acquisition Date) is recognized in its entirety. There are no future service accruals.

Description of plans

<u>Pension benefit plans</u>

Renova sponsors two funded pension plans: the Pension Plan for Salaried Employees of Bowater Mersey Paper Company Limited (the "Salaried Plan") and the Pension Plan for Non-Salaried or Union Employees of Bowater Mersey Paper Company Limited (the "Union Plan"). In addition Renova sponsors the following unfunded pension arrangements: the Supplemental Defined Benefit Plan for Employees of Bowater Mersey Paper Company Limited (the "SERP"), as well as certain pension related benefits payable directly from Renova accrued in respect of service after December 28, 2012 or in relation to other special arrangements (the "Other Pension Related Benefits"). All plans are defined benefit plans.

The Salaried Plan provides unique benefit formulas for three periods of service: a) For pre-2003 service, it provides for annual career average pensions (2009 base year) equal to 1.45% of pensionable earnings up to the Years' Maximum Pensionable Earnings ("YMPE") and 2.0% of pensionable earnings in excess of the YMPE; b) For 2003-2008 service, the plan provides for annual pensions equal to 1.6% of the final average earnings ("FAE") up to final average Year's

(in thousands of dollars)

8. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

Pension benefit plans (continued)

Maximum Pensionable Earnings ("FAYMPE") and 2.0% above multiplied by years of credited service from 2003 to 2008 inclusive. FAE is the average of the best five consecutive years of pensionable earnings and FAYMPE is the average of the last five years YMPE; and c) For post 2009 service, the plan provides for an annual pension equal to 1.75% of FAE multiplied by years of credited service (post 2008). FAE is the average of the best five consecutive years of pensionable earnings out of the last 10 years.

The definition of pensionable earnings varies for each period of service.

The Union Plan for employees hired prior to July 8, 2005 provides for annual career average pensions (2010 base year) equal to 1.7% of pensionable earnings up to the YMPE plus 2% of pensionable earnings in excess of the YMPE. For employees hired after July 8, 2005, the plan provides for annual pensions equal to 1.75% of best average earnings ("BAE") for a five year consecutive period, multiplied by the years of service.

In addition, both the Salaried Plan and the Union Plan provide bridge benefits for retirements before age 65 under certain circumstances.

The SERP provides for pensions equal to 1.6% of the final average YMPE plus 2.0% of the FAE in excess of the YMPE by the credited service on and after January 1, 2003 to December 31, 2008, less the benefit accrued under the Salaried Plan for the same period. In addition, the SERP provides for ad-hoc pension amounts granted by Renova to surviving spouses and other individuals.

Other Post Employment Benefits ("OPEB")

Renova sponsors various OPEB plans including: post-retirement health and dental benefits to non-union retirees, post-retirement life insurance, continuing group health benefit coverage payable in respect of disabled members to April 30, 2014, and continuing group health benefit coverage payable in respect of active non-union members, and non-union members on salary continuance. These plans are funded or partially funded by Renova.

Summary of financial information

Pension and OPEB

	March 31, 2014	March 31, 2013
Pension benefit Plans	**12,100**	16,600
OPEB	**7,200**	8,100
	19,300	24,700

(in thousands of dollars)

8. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

Summary of financial information (continued)

Pension benefit plans

	March 31, 2014	March 31, 2013
Salaried Plan		
Market value of assets and in-transits	**91,100**	96,300
Estimated wind-up expenses	**(200)**	(400)
Assets available to settle benefit	**90,900**	95,900
Wind-up obligations	**92,900**	(99,900)
Estimated wind-up shortfall	**2,000**	4,000
Union Plan		
Market value of assets and in-transits	**183,900**	194,800
Estimated wind-up expenses	**(300)**	(600)
Assets available to settle benefit	**183,600**	194,200
Wind-up obligations	**189,300**	(201,300)
Estimated wind-up shortfall	**5,700**	7,100
SERP		
Wind-up obligations	**3,500**	3,900
Estimated wind-up shortfall	**3,500**	3,900
Other Pension Related Benefit		
Salaried member wind-up obligations	**900**	1,200
Hourly member wind-up obligation	-	400
Estimated wind-up shortfall	**900**	1,600
	12,100	16,600

(in thousands of dollars)

8. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

Actuarial assumptions

Pension benefit plans

The table below shows significant assumptions used to measure obligations associated with the pension benefit plans.

	March 31, 2014	March 31, 2013
Discount rates for members who elected or are assumed to elect a transfer value	2.40% for the 10 years proceeding December 28, 2012 and 3.60% per annum thereafter	2.4% for the 9.75 years proceeding December 28, 2012 and 3.6% per annum thereafter
Discount rates for members assumed to elect an annuity purchase	Liabilities based on actual annuity purchase quote as of May 2014	3/05% per annum
Member election	Non-retired members: Based on actual individual member elections Retired: 100 % annuity purchase	Non-retired members under age 55: 100% commuted value Non-retired members over age 55: 100% annuity purchase Retired: 100% annuity purchase
Mortality	1994 Uninsured pensioners MortalityTable with generational projection using projection scale AA. ("UP94 Generational") Unisex 95% male (for transfer values for Union Plan) Unisex 85% male (for transfer values for Salaried Plan)	
Retirement age	Age that maximizes the value fo the pension	
Wind-up expense assumption	Salaried Plan: $200,000 Union Plan: $350,000	Salaried Plan: $400,000 Union Plan: $600,000

8. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

OPEB

For OPEB, the discount rates used at March 31, 2014 and March 31, 2013 were 3.5% and 4.0% respectively.

Previously for the March 31, 2013 valuation, the Other Pension Related Benefits valued for Union Plan members were as follows:

- For members on long term disability, the value of their Union Plan pension accrual from the date of the Union Plan wind-up (December 28, 2012) to the earlier of when long term disability benefit accrual would cease and April 30, 2014.

- For any member who would have reached the grow in criteria (age plus continuous service equaling at least 55 points) during their lay-off, but after the Union Plan wind-up date, the value of grow-in benefits under section 79 of the Nova Scotia Pension Benefits Act.

For the March 31, 2014 valuation, the above benefits are included in the registered pension plan (Union Plan) obligation as a result of plan amendments and data corrections.

Previously for the March 31, 2013 valuation, the Other Pension Related Benefits valued for Salaried Plan members were as follows:

- For members on long term disability, the value of their Salaried Plan pension accrual from the date of the Salaried Plan wind-up (December 28, 2012) to the earlier of when long term disability benefit accrual would cease and April 30, 2014. (This is an assumption as the pension accrual for Salaried LTD members has not yet been resolved)

For the March 31, 2014 valuation, the above benefit is included in the registered pension plan (Salaried Plan) obligation as a result of a plan amendment.

As at both March 31, 2013 and March 31, 2014, the Other Pension Related Benefits valued for Salaried Plan members were as follows:

- For any actively employed member or any member on salary continuance as of the Salaried Plan wind-up date (December 28, 2012), the value of the Salaried Plan pension accrual they would have received had they continued in the Salaried Plan until the end of the employment and salary continuance period less the value they will receive from the pension plan.

(in thousands of dollars)

9. CLOSURE COSTS

Renova was purchased by the Province with the intention of winding it up and distributing its assets to entities who will maximize jobs for Nova Scotians and increase economic prosperity. At the Acquisition Date, Renova estimated and capitalized the costs required to wind-up the Company and sell its assets. As the costs are incurred, the liability is reduced. Changes in estimates are recorded retrospectively.

These costs include professional fees, utility expenses, property maintenance, insurance, and operational charges for BPC prior to its disposition.

		March 31, 2014		March 31, 2013
Opening accrued closure costs	**$**	**11,495**		$11,983
Less: Incurred closure costs		**(13,409)**		(4,766)
Add: Loss on remeasurement of closure cost		**1,566**		-
Add: Accrued closure costs		**2,544**		-
Less: Due from related party		**(143)**		(55)
Add: Accounts payable and accruals		**490**		1,333
	$	**2,544**	$	11,495

10. RELATED PARTY TRANSACTIONS

Included in these financial statements are significant transactions with various provincial crown corporations, agencies, boards and commissions.

Government officials

During the year, the Province of Nova Scotia provided certain services, including salaries and benefits of government employees on behalf of Renova with no charge to the Company.

11. COMMITMENTS

Bowater Mersey Power Contract

Prior to the Acquisition Date, Bowater was party to a contract with NSPI obligating them to purchase power at a daily preferred rate. The contract permitted Bowater to resell any unused power to the grid at a specified price. The contract contained a termination clause, but required Bowater to give 12 months' notice. Notice of intent to cancel was given on the Acquisition Date, effectively terminating the contract in December, 2013. During the current fiscal year Renova and NSPI entered into an agreement that settled this obligation.

As part of the sale of BPC, Renova entered into a steam purchase agreement with the purchaser that requires Renova to purchase $1,000 of steam per year. The agreement requires Renova to pay a fixed fee on a monthly basis with a usage true up completed at year-end.