Financial statements

Trade Centre Limited

March 31, 2017

EY

Building a better working world

Management's report

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 schedule A, 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 [the "Board"] is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements frequently and external audited financial statements annually.

The external auditors, Ernst & Young LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to management of Trade Centre Limited and meet when required.

On behalf of Trade Centre Limited:

Carrie Cussons
Acting President & CEO, CFO

June 23, 2017

Independent auditors' report

To the Board of Directors of
Trade Centre Limited

We have audited the accompanying financial statements of **Trade Centre Limited**, which comprise the statement of financial position as at March 31, 2017 and the statements of operations and accumulated deficit, changes in net debt and cash flows for the year then ended, 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.

Auditors' 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 auditors' 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 auditors consider 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 **Trade Centre Limited** as at March 31, 2017, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Ernst & Young LLP

Halifax, Canada
June 23, 2017

Chartered Professional Accountants
Licensed Public Accountants

Trade Centre Limited

STATEMENT OF FINANCIAL POSITION

As at March 31

	2017 $	2016 $
FINANCIAL ASSETS		
Cash	**3,574,290**	1,925,759
Restricted cash	**2,493,548**	2,456,431
Accounts receivable	**516,818**	469,254
Due from Scotiabank Centre *[note 10]*	**389,862**	98,624
Due from Halifax Regional Municipality *[note 10]*	**—**	1,139,500
Inventory held for resale	**77,394**	83,231
	7,051,912	6,172,799
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	**970,915**	1,075,650
Deferred revenue	**1,095,888**	197,227
Event deposits	**414,550**	335,928
Due to the Province of Nova Scotia *[note 10]*	**6,356,522**	5,748,578
Advance ticket sales	**2,536,067**	2,495,878
Long-term service awards *[note 7]*	**662,600**	751,000
Other liabilities *[note 7]*	**802,800**	827,600
	12,839,342	11,431,861
Net debt	**(5,787,430)**	(5,259,062)
NON-FINANCIAL ASSETS		
Tangible capital assets, net *[note 3 and 5]*	**672,339**	2,542,620
Assets held for sale, net *[note 4]*	**1,551,551**	—
Prepaid expenses	**542,034**	497,247
	2,765,924	3,039,867
Accumulated deficit *[note 8]*	**(3,021,506)**	(2,219,195)

See accompanying notes

On behalf of the Board:

Trade Centre Limited

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

Year ended March 31

	2017 $ [budget]	2017 $ [actual]	2016 $ [actual]
REVENUE			
Convention Centre	5,509,800	5,039,089	5,510,637
Office Tower	2,325,000	1,854,083	2,388,433
Exhibition Park *[note 5]*	—	—	447,771
Ticket Atlantic	1,336,900	1,254,967	1,390,573
Government transfers *[note 9]*	800,000	798,239	633,833
Investment income	25,000	29,064	24,877
	9,996,700	8,975,442	10,396,124
EXPENSES			
Event expenses	4,349,100	4,225,598	5,179,471
Salaries and benefits *[note 7]*	2,707,700	2,409,772	3,216,356
Maintenance	914,000	981,850	1,217,394
Taxes and insurance	890,000	839,350	875,639
Energy	710,000	631,673	836,168
Administration	333,400	335,363	436,261
Advertising and marketing	92,500	60,279	94,052
	9,996,700	9,483,885	11,855,341
	—	(508,443)	(1,459,217)
Halifax Convention Centre			
Government Transfers *[note 9]*	6,962,000	3,065,890	1,637,658
Expenses	5,556,600	2,782,436	1,552,959
	1,405,400	283,454	84,699
	1,405,400	(224,989)	(1,374,519)
Exhibition Park			
Gain on Sale *[note 5]*	—	—	1,780,274
Transfer of proceeds to Province *[note 5]*	—	—	1,780,274
	—	—	—
Depreciation of tangible capital assets *[note 4]*	1,100,000	577,322	1,501,910
Annual surplus (deficit)	305,400	(802,311)	(2,876,429)
Accumulated (deficit) surplus, beginning of year		(2,219,195)	657,234
Accumulated deficit, end of year		(3,021,506)	(2,219,195)

See accompanying notes

Trade Centre Limited

STATEMENT OF CHANGES IN NET DEBT

Year ended March 31

	2017 $ [budget]	2017 $ [actual]	2016 $ [actual]
ANNUAL DEFICIT	**(1,530,000)**	**(802,311)**	(2,876,429)
Acquisition of tangible capital assets *[note 3]*	—	**(258,592)**	(255,195)
Disposal of tangible capital assets *[note 3]*	—	—	500,816
Depreciation of tangible capital assets *[note 3]*	**1,100,000**	**577,322**	1,501,910
(Increase) decrease in prepaid expenses	—	**(44,787)**	14,676
Increase in net debt	**(430,000)**	**(528,368)**	(1,114,222)
Net debt, beginning of year		**(5,259,062)**	(4,144,840)
Net debt, end of year		**(5,787,430)**	(5,259,062)

See accompanying notes

Trade Centre Limited

STATEMENT OF CASH FLOWS

Year ended March 31

	2017 $	2016 $
OPERATING ACTIVITIES		
Annual deficit	**(802,311)**	(2,876,429)
Add items not affecting cash		
Depreciation of tangible capital assets	**577,322**	1,501,910
Long-term service awards	**(88,400)**	(28,600)
Net changes in working capital:		
Accounts receivable	**(47,564)**	524,668
Inventory held for resale	**5,837**	58,230
Due from Scotiabank Centre	**(291,237)**	70,182
Due from Halifax Regional Municipality	**1,139,500**	(508,820)
Accounts payable and accrued liabilities	**(104,735)**	(203,552)
Deferred revenue	**898,661**	99,510
Event deposits	**78,622**	(129,736)
Due to the Province of Nova Scotia	**607,944**	1,535,615
Advance ticket sales	**40,188**	(43,954)
Other liabilities	**(24,800)**	13,400
Prepaid expenses	**(44,787)**	14,675
Cash provided by operating activities	**1,944,240**	27,099
CAPITAL ACTIVITIES		
Cash paid on acquisition of tangible capital assets	**(258,592)**	(255,194)
Net proceeds from sale of tangible assets *[note 5]*	**—**	2,281,089
Cash paid to Province of Nova Scotia *[note 5]*	**—**	(1,780,273)
Cash (used in)/provided by capital activities	**(258,592)**	245,622
Net increase in cash during the year	**1,685,648**	272,721
Cash, beginning of year	**4,382,190**	4,109,469
Cash, end of year	**6,067,838**	4,382,190
Cash is comprised of:		
Cash	**3,574,290**	1,925,759
Restricted cash	**2,493,548**	2,456,431
	6,067,838	4,382,190

See accompanying notes

Notes to financial statements

March 31, 2017

1. Nature of operations

Trade Centre Limited's [the "Company"] mandate is to create economic and community benefits by bringing people together in Halifax and Nova Scotia. The Company's principal business operations comprise of a trade and convention centre, the provision of marketing and promotion services, the leasing of office and commercial space, and the management and operation of Ticket Atlantic. The Company also manages and operates Scotiabank Centre on behalf of Halifax Regional Municipality ["HRM"].

The Company is incorporated under the laws of the Province of Nova Scotia ["the Province" or the "PNS"]. The Company is a governmental unit as set out in the consolidated financial statements of the Province and reports to the Legislative Assembly through the Department of Business. As an agency of the Province, the Company is not subject to income taxes pursuant to the *Income Tax Act 149(1)(d)*. However, since the Company is a corporation, it is still required to file a corporate T2 income tax return annually.

The Company provides marketing and business development activities for, and is actively preparing to operate, the Halifax Convention Centre [the "HCC"] pursuant to the *Halifax Convention Centre Act* [the "Act"] dated May 2014. The Act establishes the Halifax Convention Centre Corporation ["HCCC"], enacts the corporation's by-laws and defines the objective of the new entity. Effective April 1, 2017 HCCC will operate under the name "Events East Group" [refer to note 14 – Subsequent Events – for additional details].

Transportation and Infrastructure Renewal, a provincial department, initiated a process to sell the World Trade and Convention Centre building in June 2016. An unsolicited offer was received and the purchase and sale agreement is in negotiation, and expected to result in a sale of the building late in the Fall of 2017. The building is now classed as an asset held for sale.

2. Summary of significant accounting policies

These financial statements have been prepared by the Company's management in accordance with the Chartered Professional Accountants of Canada (CPA Canada) Public Sector Accounting Standards (PSAS) for other government organizations as defined by the Canadian Public Sector Accounting Board, which sets out generally accepted accounting principles for government organizations.

Basis of presentation

The Company consists of three divisions: the Convention Centre, the Office Tower, and Ticket Atlantic. These financial statements also include the marketing, business development, governance, operational readiness, and equipment procurement activities for the HCC. Scotiabank Centre's operations are not reflected in these financial statements as the facility is owned by HRM and operated by the Company through a management agreement.

Cash

Cash is comprised of cash on hand and balances held at financial institutions.

Restricted cash

Restricted cash represents cash received for advance ticket sales.

Notes to financial statements

March 31, 2017

Inventory held for resale

Inventory held for resale consists of food and beverage supplies and is recorded at the lower of cost or net realizable value.

Advance ticket sales

Advance ticket sales are recorded as a liability on the statement of financial position until the event is held and amounts settled with third parties. Amounts received are segregated as restricted cash and are not available to fund the Company's operations.

Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives using the following terms:

Building	Held for sale
Furniture and equipment	3-5 years
Leasehold improvements	Lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Company's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations and accumulated deficit.

Contributed capital assets are recorded into revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Prepaid expenses

Prepaid expenses include costs incurred prior to the periods expected to benefit from them, including maintenance and software agreements, property taxes, and insurance.

Employee future benefits

Employee future benefits include the Company's participation in the Public Service Superannuation Fund [the "Plan"], long-term service awards and a supplemental pension arrangement with a former executive. A liability for employee future benefits has been included in the financial statements for the long-term service awards and the supplemental pension arrangement. The Company is not responsible for any underfunded liability, nor does the Company have any access to any surplus that may arise in the Plan and, accordingly, no liability associated with this plan has been recognized in the financial statements.

Revenue

Revenue is recognized when the item has an appropriate basis of measurement, a reasonable estimate can be made of the amount involved, and for an item that involves obtaining or giving up future economic benefits, it is expected that such benefits will be obtained or given up. Event deposits are recorded as a liability until the event occurs and the revenue recognition criteria are met. Funds received when these criteria have not been met are recorded as unearned revenue.

Notes to financial statements

March 31, 2017

Transfers (revenue from non-exchange transactions) are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received, but not all stipulations have been met.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Grants and transfers are recorded as expenses when the transfer is authorized, eligibility criteria have been met by the recipient and a reasonable estimate of the amount can be made.

Measurement uncertainty

The preparation of the Company's financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of significant estimates include the useful life of tangible capital assets and employee future benefits.

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

3. Tangible capital assets

	Land $	Building $	Furniture and equipment $	Leasehold improvements $	Total $
Cost, beginning of year	1	44,477,178	5,416,007	1,536,606	51,429,792
Additions	—	—	258,592	—	258,592
Reclassified to assets held for sale	—	(44,477,178)	—	(1,536,606)	(46,013,784)
Cost, end of year	1	—	5,674,599	—	5,674,600
Accumulated depreciation, beginning of year	—	42,523,915	4,829,107	1,534,150	48,887,172
Depreciation expense	—	401,712	173,154	2,456	577,322
Reclassified to assets held for sale	—	(42,925,627)	—	(1,536,606)	(44,462,233)
Accumulated depreciation, end of year	—	—	5,002,261	—	5,002,261
Net book value, end of year	1	—	672,338	—	672,339

4. Assets held for sale

A purchase and sale agreement has been undertaken with an external purchaser to sell the World Trade & Convention Centre building; the sale will take effect two months after the substantial completion of the Halifax Convention Centre, expected to be in the Fall of 2017. All criteria have been met to recognize the building as *held for sale*.

The net proceeds of the sale are estimated to be $12.0 million which will be recognized as a gain for the Company. In accordance with Section 16 of the Finance Act, funds resulting from the sale of real property by a Government Reporting Entity must be deposited into the province's General Revenue Fund. This transfer of funds will be recorded as an operating expense, and therefore the transaction will have no net impact on the statement of operations and accumulated deficit of the Company.

5. Sale of Exhibition Park

On July 23, 2015, the Province of Nova Scotia announced it would discontinue operations of Exhibition Park (an operation of the Company which had delivered public trade shows) during fiscal 2016 and sell the building and land used in its operations. Transportation and Infrastructure Renewal (TIR), a department of the Province of Nova Scotia, was directed to manage negotiations on behalf of the Company. The final Purchase and Sale Agreement was executed in fiscal 2016 and as such, the cost of all assets related to Exhibition Park were removed from the Company's tangible capital assets along with the associated accumulated depreciation.

In accordance with Section 16 of the Finance Act, funds resulting from the sale of real property by a Government Reporting Entity must be deposited into the Province's General Revenue Fund. This transfer of funds has been recorded as an operating expense in the statement of operations and accumulated (deficit) surplus. The proceeds of $2,500,000 were adjusted for the net book value of the assets of $500,816 and expenses related to the Purchase and Sale Agreement of $218,910 resulting in total funds transferred to the Province's General Revenue Fund of $1,780,273.

6. Contractual obligations

The Company has entered into a number of multiple-year contracts for the delivery of services. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

2017	$157,900
2018	$157,900
2019	$46,500

7. Employee future benefits

Pension costs

Employees of the Company participate in the Public Service Superannuation Fund [the "Plan"], a contributory defined benefit pension plan administrated by the Public Service Superannuation Plan Trustee Inc., which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. Total employer contributions for fiscal 2017 amounted to $358,816 [2016 – $369,577] and are recognized as an expense during the year. Total employee contributions for fiscal 2017 amounted to $359,269 [2016 – $370,710]. The Company is not responsible for any underfunded liability, nor does the Company have any access to any surplus that may arise in this Plan.

Long-term service awards

Upon retirement, employees are eligible for a public service award equal to one week's salary per year of service to a maximum of 26 weeks' salary. Effective April 1, 2015, the Treasury and Policy Board of the Province of Nova Scotia issued an administrative directive, permanently curtailing accumulation of service award years for non-bargaining unit employees. In addition, as of March 31, 2016, the calculation of the public service award is determined by using the member's total serviceable years (instead of using the member's total credited service for pension purposes as was previously the case).

The accrued benefit liability also represents employees of Scotiabank Centre and a part of their pension costs are allocated to Scotiabank Centre.

The most recent full valuation of the public service award was performed as at March 31, 2016; the 2017 figures shown below were extrapolated from the March 31, 2016 valuation. The following outlines details of the accrued benefit obligation:

	2017 $	2016 $
Accrued benefit obligation, beginning of year	**882,700**	830,100
Less: plan amendment	**—**	(2,500)
Add: interest on accrued benefit obligation	**33,500**	31,700
Less: benefit payments	**(135,100)**	(108,300)
Actuarial loss	**—**	131,700
Accrued benefit obligation, end of year	**781,100**	882,700
Unamortized net actuarial loss, end of year	**(118,500)**	(131,700)
Net liability, end of year	**662,600**	751,000

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligation are as follows: discount rate – 4.1% [2016 – 4.1%]; rate of compensation increase – scale ranging from 4.5% [2016 – 4.5%] at age 25 to 2.0% [2016 – 2.0%] at age 50; rate of inflation – 2.0% [2016 – 2.0%]. Actuarial gains and losses are amortized over the expected average remaining service lifetime of 10 years. Amortization of actuarial gains and losses reflected in the current year expense related to the public service award is a loss of $13,200 [2016 – loss of $50,500].

Other liabilities

The Company has a supplemental pension arrangement with a former President and Chief Executive Officer to provide post-employment benefits. The cost of the post-retirement pension obligation has been accrued over the estimated remaining service life of the individual who retired on April 1, 2009.

Notes to financial statements

March 31, 2017

As the individual has retired, there is no benefit expense. A full valuation of the arrangement which was performed as at March 31, 2016, has been used to extrapolate the 2017 figures below. The following outlines details of the accrued benefit obligation:

	2017 $	2016 $
Accrued benefit obligation, beginning of year	**827,600**	814,200
Add: interest on accrued benefit obligation	**32,700**	33,500
Add: Plan amendment	**—**	31,800
Less: benefit payments	**(57,500)**	(56,300)
Actuarial loss	**—**	4,400
Accrued benefit obligation, end of year	**802,800**	827,600

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligation are as follows: discount rate – 4.1% [2016 – 4.1%]; rate of inflation – 2.0% [2016 – 2.0%].

Actuarial gains and losses related to the supplemental pension arrangement are recognized immediately in the current year expense as the only plan member is inactive. The actuarial loss for the year ended March 31, 2017 is nil [2016 – loss of $4,400].

8. Accumulated deficit

The accumulated deficit consists of the following:

	2017 $	2016 $
Accumulated deficit	**(3,021,606)**	(2,219,295)
Share capital		
Authorized: 1,000,000 common shares without par value		
Issued and outstanding: 100 common shares	**100**	100
	(3,021,506)	(2,219,195)

Notes to financial statements

March 31, 2017

9. Government transfers

Government transfers consist of the following:

	2017	2016
	$	$
Transfers from Halifax Regional Municipality – WTCC[1]	**641,439**	633,833
Transfers from NS Department of Business – Office Tower[2]	**156,800**	—
Transfers from Halifax Regional Municipality – HCC[3]	**890,500**	1,139,500
Transfers from NS Department of Business – HCC[3]	**3,078,500**	586,000
Transfers to PNS General Revenue Fund[4]	**—**	(1,780,274)
	4,767,239	579,059

[1] Pursuant to the Financing Agreement dated May 14, 1982, HRM makes an annual contribution to the operating deficit of the Company.

[2] The Company received an operating grant from the Nova Scotia Department of Business during fiscal 2017 to mitigate lost revenue of the World Trade Office Tower.

[3] During fiscal 2017, the Company continued marketing and business development activities for the HCC on behalf of its shareholders. Marketing and business development expenditures related to HCC of $1,578,000 [2016 – $1,060,517] were funded by transfers received from HRM and PNS and are included in the Company's statement of operations. Additional funding of $1,291,000 [2016 – $430,700] was transferred from HRM and PNS to prepare to operate the HCC and $1,100,000 was received from PNS [2016 – nil] to procure event related equipment for HCC.

[4] Net proceeds from the sale of Exhibition Park [2016 – $1,780,274] were transferred to PNS General Revenue fund in accordance with Section 16 of the Finance Act.

10. Related party transactions

The Company had the following transactions with the government and other government controlled organizations:

	2017	2016
	$	$
Energy recoveries paid to Scotiabank Centre[1]	**448,886**	500,207
Payroll recoveries received from Scotiabank Centre[2]	**3,158,783**	3,324,225
Commissions paid to Scotiabank Centre[3]	**74,387**	85,915
Transfers from HRM[4]	**641,439**	633,833
Transfers from HRM – HCC[5]	**890,500**	1,139,500
Payments to Halifax Regional Municipality[6]	**741,550**	760,935
Rent revenue received from departments of PNS[7]	**1,410,167**	2,004,638
Transfers from Nova Scotia Department of Business[8]	**3,235,300**	586,000
Transfers to PNS General Revenue Fund[9]	**—**	1,780,274

[1] Electricity expenses of the shared facility.

[2] Payroll and related costs of Scotiabank Centre is paid by the Company on behalf of Scotiabank Centre.

[3] Commissions earned on ticket sales purchased through Ticket Atlantic.

[4] Pursuant to the Financing Agreement dated May 14, 1982, HRM makes an annual contribution to the operating deficit of the Company.

[5] HRM grants for HCC: sales and marketing of $633,000 [2016 – $528,400]; operational readiness of $257,500 [2016 – $279,100]; event management system of nil [2016 – $332,000].

[6] Property taxes paid to HRM.

[7] The Company rents significant office tower space to departments and agencies of the Province. The amount represents rental revenue and tenant recoveries.

[8] Department of Business grant for sales and marketing of the new convention centre: $945,000 [2016 – $434,400]; grants to support operational readiness: $1,033,500 [2016 – $151,600]; smallwares equipment capital grant $1,100,000 [2016 – nil]. In addition, a grant of $156,800 was received to mitigate reduced Office Tower revenues.

[9] Net proceeds of nil [2016 – $1,780,274] from the sale of Exhibition Park were transferred to PNS General Revenue fund in accordance with Section 16 of the Finance Act.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are without payment terms and are non-interest bearing.

11. Financial instruments

Measurement of financial instruments

The Company's financial instruments are recorded at cost or amortized cost. Financial assets consist of assets that could be used to settle existing liabilities or fund future activities, and include cash and restricted cash, due from Halifax Regional Municipality, due from Scotiabank Centre and accounts receivable. Financial liabilities consist of the Company's accounts payable and accrued liabilities, due to the Province of Nova Scotia, long-term service awards, and other liabilities. The carrying value of the Company's financial instruments approximates its fair value. Transaction costs are expensed as incurred.

Risks and uncertainties

The Company's management recognizes the importance of managing significant risks including policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks currently managed by the Company include liquidity risk, credit risk, and capital risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its contractual obligations and financial liabilities. The Company manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its obligations and liabilities.

Credit risk

The Company's assets are primarily exposed to credit risk, which is the risk that a debtor may be unable or unwilling to pay amounts owing, thus resulting in a loss. To mitigate this risk, the Company requires deposits for events where collectability is uncertain.

Notes to financial statements

March 31, 2017

Capital risk

The Company carries out its programs in conjunction with contributions from two levels of government that have provided to programs over the years. In addition, it receives an operating subsidy from HRM on a yearly basis. The day-to-day operations are funded by the revenue received and amounts due to the Province of Nova Scotia.

12. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Province of Nova Scotia.

13. Compensation disclosure

This Schedule of Payments *[Schedule A]* is published in compliance with the provisions of *The Public Sector Compensation Disclosure Act*.

The Public Sector Compensation Disclosure Act requires the publication of the names of every person who receives the amount of compensation of $100,000 or more in the fiscal year and the amount paid to each.

Compensation amount includes total base income before income taxes for fiscal 2017 as well as all overtime payments, retirement or severance payments, lump-sum payments and vacation payouts, payments made for exceptional benefits not provided to the majority of employees, and the value of the benefit derived from vehicles or allowances with respect to vehicles.

14. Subsequent event

Halifax Convention Centre Corporation Governance

On April 4, 2016, the Province of Nova Scotia proclaimed the Halifax Convention Centre Act which resulted in the formal creation of the Halifax Convention Centre Corporation and full Board, and allowed for the Trade Centre Limited employees to be designated to the new entity.

Effective April 1, 2017, the Halifax Convention Centre Corporation will manage the World Trade and Convention Centre ["WTCC"], Ticket Atlantic and Scotiabank Centre, which is managed on behalf of the HRM. Once construction of the new facility is complete, which is anticipated to occur in fiscal 2018, the operations of the WTCC will cease and convention centre operations will transfer to the new Halifax Convention Centre facility. An estimate of the financial effect of this transaction cannot be made at this time.

In conjunction with the change in governance, and in compliance with the Halifax Convention Centre Act, employees of Trade Centre Limited were designated as employees of the new Halifax Convention Centre Corporation on April 1, 2017. There will be no change to employees' salary or benefits stemming from this designation process. The Halifax Convention Centre Corporation will be operated under the name "Events East Group".

The Company's Board was reduced to a limited board effective April 1, 2017. The limited board will continue to oversee the Office Tower operation and its pending sale, along with the wind-up of the Company.

Notes to financial statements

March 31, 2017

Schedule A

SCHEDULE OF PAYMENTS

Name	Compensation
Baldwin, Dawn	104,149
Cussons, Carrie	167,594
Dooley, Peggy	104,149
Fougere, Suzanne	118,264
Logan, Robert	125,910
Parsons, Shelly	104,149
Smith, Greg	102,403