

AgriTECH Park
(Formerly AgriTECH Park Incorporated)

Financial Statements
March 31, 2013

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 Department of Agriculture is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises these responsibilities through the Department of Agriculture. The Department of Agriculture reviews internal financial statements on a monthly basis and external audited financial statements yearly.

The external auditor, PricewaterhouseCoopers LLP, conducts an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditor has full and free access to financial management of the AgriTECH Park (formerly AgriTECH Park Incorporated) and meet when required.

On behalf of AgriTECH Park (formerly AgriTECH Park Incorporated)

Laurie Sandeson, Managing Director

Alan Grant, Executive Director
Agriculture and Food Operations Branch
Nova Scotia Department of Agriculture

June 28, 2013



June 28, 2013

Independent Auditor's Report

To the Executive Director of AgriTECH Park (formerly AgriTECH Park Incorporated)

We have audited the accompanying financial statements of **AgriTECH Park** ("AgriTECH"), which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations and accumulated surplus for the years ended March 31, 2013 and March 31, 2012 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 audits. We conducted our audits 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 in our audits 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 AgriTECH as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP
710 Prince Street, PO Box 632, Truro, Nova Scotia, Canada B2N 5E5
T: +1 (902) 895 1641, F: +1 (902) 893 0460

AgriTECH Park (formerly AgriTECH Park Incorporated)
Statements of Financial Position

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Financial Assets			
Due from Nova Scotia Department of Agriculture (note 5)	121,014	250,875	263,207
Net debt			
Accumulated surplus	121,014	250,875	263,207

Approved by the Director

Director

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

(1)

AgriTECH Park (formerly AgriTECH Park Incorporated)

Statements of Operations and Accumulated Surplus

For the years ended March 31, 2013 and 2012

	2013	2012
	\$	\$
Revenue		
Conference – lodging	1,729	–
Conference – meals	53,127	70,070
Rental		
Facilities	285,495	293,407
Other	21,783	24,977
Sundry	5,474	13,532
	<u>367,608</u>	<u>401,986</u>
Expenses		
Advertising	341	359
Catering services	53,005	66,503
Heat	181,109	151,177
Lights	101,993	65,574
Motor vehicle	8,805	4,243
Office and postage	3,988	4,586
Professional fees and special services	4,783	43,464
Repairs and maintenance	364,949	142,674
Salaries and benefits	49,831	191,061
Security	36,317	45,962
Sundry	13,508	20,570
Supplies	10,109	7,262
Telecommunications	6,311	6,904
	<u>835,049</u>	<u>750,339</u>
Annual deficit before departmental recoveries and grants	(467,441)	(348,353)
Departmental recoveries and grants (note 6)	<u>337,580</u>	<u>336,021</u>
Annual deficit for the year	(129,861)	(12,332)
Accumulated surplus – Beginning of the year	<u>250,875</u>	<u>263,207</u>
Accumulated surplus – End of year	<u>121,014</u>	<u>250,875</u>

AgriTECH Park (formerly AgriTECH Park Incorporated)

Notes to Financial Statements

For the years ended March 31, 2013 and 2012

1 Governing status and nature of activities

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

Effective April 1, 2012, AgriTECH Park Incorporated was amalgamated with AgraPoint International Inc. (AgraPoint) subject to an amalgamation agreement pursuant to subsection 134(10A) of the Companies Act. The newly amalgamated company Perennia Food and Agriculture Inc. has continued the operations of the Company and AgraPoint. These financial statements reflect only the results of AgriTECH Park (AgriTECH) operations of Perennia Food and Agriculture Inc.

2 Conversion to Canadian Public Sector Accounting Standards

Commencing with the 2013 fiscal year, AgriTECH has adopted Canadian public sector accounting standards. These financial statements are the first financial statements for which the Company has applied Canadian public sector accounting standards (“PSAS”).

There was no impact of the conversion to Canadian public sector accounting standards on the annual or accumulated surplus (deficit) at the date of transition or any resulting adjustments from the retroactive transition to the new standards.

3 Significant accounting policies

Basis of accounting

These financial statements are prepared in accordance with the Canadian public sector accounting standards (PSAS) as issued by the Canadian Accounting Standards Board.

Financial instruments

Financial instruments are to be recognized depending on their classification and AgriTECH 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.

Revenue recognition

Revenue from conference and rental fees is recognized in the period the related services are provided.

AgriTECH Park (formerly AgriTECH Park Incorporated)

Notes to Financial Statements

For the years ended March 31, 2013 and 2012

3 Significant accounting policies (continued)

Management estimates

Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and any changes in those estimates could have an impact on the results of future period financial statements.

Property, plant and equipment

AgriTECH, who is dependent on the Province of Nova Scotia for funding, follows the capitalization policy of the Province. Therefore expenditures include the cost of addition to property, plant and equipment.

4 Income taxes

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

5 Economic dependence

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

6 Related party transactions

AgriTECH is related to the Nova Scotia Department of Agriculture, as the only common share of Perennia Food and Agriculture Inc. is held by the Deputy Minister of this department. Transactions between these related parties are departmental recoveries and grants in the amount of \$337,580 (2012 - \$336,021). 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 AgriTECH at no cost.

AgriTECH is also related to the Atlantic Bioventure Centre, a joint initiative of the office of Economic Development and the Department of Agriculture. Transactions between these related parties are facilities rental in the amount of \$2,100 (2012 - \$4,200) from Atlantic Bioventure Centre and \$23,799 (2012 - \$52,800) from Atlantic Bioventure Centre AIF project Dalhousie University.

AgriTECH also received rent in the amount of \$37,632 (2012 - \$37,632) during the year from AgraPoint, the company which they combined operations with effective April 1, 2012 as per the amalgamation described in note 1.

AgriTECH Park (formerly AgriTECH Park Incorporated)

Notes to Financial Statements

For the years ended March 31, 2013 and 2012

7 Statement of cash flow

No cash flow statement is prepared as there are no funds held. All revenue and expenses are reviewed and disbursed through accounts managed centrally by the Province of Nova Scotia.

8 Financial instruments and risk management

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

a) Concentration of credit risk

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

b) Interest rate risk

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

c) Liquidity and cash flow risk

Management believes AgriTECH has no significant risk from liquidity or cash flow which is dependent on ongoing support from the Department of Agriculture as disclosed in note 5.