



# 2017 – 2018 Annual Report

**Nova Scotia Business Incorporated**

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Nova Scotia Business Inc.



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**At Nova Scotia Business Inc., we work towards a strong, thriving, and globally competitive Nova Scotia today and for generations to come.**

**We all want to make a difference in the world,**  
*Nova Scotia businesses work hard to make a difference - to succeed in a world where success is never a guarantee.*

**Success is hard. The late nights. The travel. The waiting.**  
*And the nail-biting reality of “will this work?”*

**NSBI has a vital mission: we drive economic momentum in Nova Scotia,** *and we do it by attracting investment, and by supporting businesses in all communities to be more successful exporters.*

**We are Nova Scotians working for positive outcomes for Nova Scotians,** *and we do it by rolling up our sleeves and working next to entrepreneurs, by attracting the right companies to locate here, and by telling the story of this province and all that it has to offer.*

**Every Nova Scotian knows you don't need to be big to make a big impact.** *You just need to keep on going until you succeed.*

**And when you make it, we all win.**

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## Message from the Board Chair & President and CEO



**Bert Frizzell**  
BOARD CHAIR

**Laurel Broten**  
PRESIDENT AND CEO

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At NSBI our focus is export development and investment attraction: The business of selling the world on doing business in Nova Scotia, and selling our products and services to the world.

In 2017-2018, NSBI built upon valuable insight from our clients to ensure that our suite of offerings responded to their needs by providing timely, impactful programs and services when and where they needed them.

### **Find, Nurture, Grow**

When it comes to export development, we have tackled head-on the mandate that came out of the One Nova Scotia report: the objective of increasing the volume and value of exports from Nova Scotia, as well as the overall number of new exporters.

Our investment attraction efforts in 2017-2018 continued to focus on identifying innovative exporting companies which would strengthen Nova Scotia's business landscape and benefit from a location in our province. NSBI refined and strengthened our lead generation approach, using proprietary databases and mining identified connections to Nova Scotia to help narrow our targets.

We're happy to say that the 2017 - 2018 overall results show we're on the right track. We are also realistic in that 2017 saw tumultuous times in global markets and uncertainty in the tone of conversations surrounding international trade agreements. In response, we continued to work across Nova Scotia with a sharp focus on the need for diversification both within our sectors as well as by digging deeper into new markets.

### **Doubling Down on New Export**

In 2017-2018, our Trade Market Intelligence service worked with companies to provide research and analysis on global markets. In addition, our Small Business Development Program helped clients to access the expertise required to develop export capacity and grow.

NSBI's export capacity building team provided one-on-one training and services to companies across the province.

The Export Growth Program helped fund those who were ready to travel in-market to develop partnerships and grow their global footprint. Through these initiatives, our clients saw positive results throughout 2017-2018.

In addition, our toolkit to support clients expanded and now includes programs to assist companies' export competitiveness, such as through productivity growth and innovation.

The Innovation Rebate Program helps established exporters undertake significant capital investments to improve productivity, grow export capacity, and expand their product lines.

The Productivity and Innovation Voucher Program (PIVP) helps small and medium businesses spur and develop innovation and productivity growth by linking them with post-secondary institutions. Projects sponsored under this program allow businesses to not only draw from post-secondary expertise, they also allow talented students to work alongside industry on real business challenges. Now in its second year of delivery by NSBI, the PIVP has already created strong linkages and has been enthusiastically received by businesses across the province.

The Productivity Pilot, a partnership between NSBI, ACOA, Labour and Advanced Education, Canadian Manufacturers and Exporters (CME), and the Community Business Development Corporations provides 30 days of on-site training to help exporters build productivity and efficiency, and is currently being expanded.

## **Diversification**

The ratification of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU opens the massive European market to Nova Scotian exporters, and the successful negotiation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will open new markets and create new opportunities for Nova Scotia exporters in key Asian markets. The CPTPP is expected to be ratified by the end of 2018.

Into 2018-2019, we will continue our evolution. Learning from our successes, we will develop more powerful evidence-based tools and programs to better serve our clients and all Nova Scotians.

Guided, as always, by the desired outcomes of the One Nova Scotia report to attract innovative companies in strategic growth sectors, connect local companies to global supply chains, and leverage FDI for expansion, growth and scale, we continue to use evidence-based, targeted, and proven tools to build export capacity in Nova Scotia. Ultimately our objective is to strengthen and drive our Nova Scotia economy for this and future generations. |||

# Board of Directors Overview

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Due diligence and adherence to rigorous corporate governance guides the actions of Nova Scotia Business Inc.'s private-sector Board. Comprised of respected leaders from communities across Nova Scotia, the Board of Directors provides guidance and governance for business activities.

## Including committee meetings, members of the Board met in 2017 – 2018 to:

- **Oversee the corporate governance framework**
- **Review and approve quarterly and annual financial reports**
- **Oversee the strategic business planning process**
- **Identify and monitor risks facing the corporation**
- **Monitor the integrity of the corporation's internal control systems**
- **Approve financial transactions within Board limits**

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### **Bert Frizzell, Chair**

**APPOINTED DIRECTOR,  
SEPTEMBER 2011**

#### **AUDIT COMMITTEE**

#### **HR GOVERNANCE COMMITTEE**

- The Shaw Group Ltd., Vice Chairman
- The Shaw Group Ltd., Former President & CEO
- Acadia University, Board of Governors
- Heritage Gas, Board of Directors
- LED Roadway Lighting Ltd., Board of Directors
- West Bedford Holdings Ltd., Board of Directors

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### **Marie Mullally, Vice-Chair**

**APPOINTED DIRECTOR,  
DECEMBER 2014**

#### **HR GOVERNANCE COMMITTEE**

- CUA, President & CEO
- Nova Scotia Gaming Corporation, Former President & CEO
- Halifax International Airport Authority, Chair
- FICANEX Services Inc., Board of Directors

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### **Brenda Belliveau, CPA, CA**

**APPOINTED DIRECTOR,  
SEPTEMBER 2016**

#### **AUDIT COMMITTEE**

- PwC Atlantic Canada, Managing Partner and Tax Leader
- Mount Saint Vincent University, Board of Governors

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### **Paul Belliveau, FCPA, FCA**

**APPOINTED DIRECTOR,  
FEBRUARY 2013**

#### **AUDIT COMMITTEE, CHAIR**

- Belliveau Veinotte Inc., Partner
- Bridgewater Development Association, Past Chair
- Lunenburg County Lifestyle Centre, Former Chair
- AC Group of Independent Accounting Firms Ltd., Executive Director
- Now Lunenburg County, Board of Directors

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### **Sandra Greer, ICD.D**

**APPOINTED DIRECTOR,  
SEPTEMBER 2016**

#### **INVESTMENT ATTRACTION COMMITTEE**

- Amirix Systems Inc. (now InnovaSea Systems), Former President & CEO
- Nova Scotia Power Inc., Board of Directors
- InnovaSea, Board of Directors
- IORE, Board of Directors
- Acadia University, Board of Governors
- Nova Scotia Community College (NSCC), Board of Governors, Former Board Chair
- Canadian Foundation for Innovation, Former Board Member
- Industrial Expansion Fund (IEF) Advisory Panel, Former Member

### **Tom Hickey**

**APPOINTED DIRECTOR,  
DECEMBER 2015**

#### **INVESTMENT ATTRACTION COMMITTEE, CHAIR**

- T. Hickey Enterprises, President and CEO
  - Atlantic Road Construction, CEO
  - Atl-Refac Ltd., Board Chair
  - Frontline Asphalt Ltd., CEO
  - Nova Paving Ltd., Board Chair
  - Iconic Brewing Co., Board Chair
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### **Cheryl Hodder, QC, ICD.D**

**APPOINTED DIRECTOR,  
NOVEMBER 2012**

#### **HR GOVERNANCE COMMITTEE, CHAIR**

- McInnes Cooper, Partner
- McInnes Cooper, Board of Directors, Vice Chair
- Mount Allison University, Board of Regents
- Film and Creative Industries Nova Scotia, Past Chair

### **Ray Ivany**

**APPOINTED DIRECTOR,  
DECEMBER 2010**

#### **INVESTMENT ATTRACTION COMMITTEE**

- Acadia University, Former President and Vice-Chancellor
  - Nova Scotia Community College (NSCC), Former President and CEO
  - Workers' Compensation Board of Nova Scotia, Former Chair
  - Natural Sciences and Engineering Research Council of Canada, Past Council Member
  - Nova Scotia OneNS Commission on Building our New Economy, Past Chair
  - Nova Scotia Power Inc., Board of Directors
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### **Ronald E. Smith**

**APPOINTED DIRECTOR,  
MAY 2011**

#### **INVESTMENT ATTRACTION COMMITTEE**

- Maritime Tel & Tel Ltd., Former CFO
- Emera Inc., Former CFO
- Canada Pension Plan Investment Board, Former Board of Directors
- Alamos Gold Inc., Board of Directors
- Pro Real Estate Investment Trust, Board of Trustees
- Public Service Superannuation Plan Trustee Inc., Chair
- Acadia University, Board of Governors, Past Chair
- The Arthritis Society, National Chair
- Western Regional Economic Network, Board of Directors
- IWK Health Centre, Board of Directors

### **Janice Stairs**

**APPOINTED DIRECTOR,  
SEPTEMBER 2009**

#### **INVESTMENT ATTRACTION COMMITTEE**

- Namibia Critical Metals (TSXV), General Counsel and Board of Directors
- McInnes Cooper, Halifax Counsel
- Trilogy Metals Inc. (TSX: NYSE-MKT), Board of Directors
- Marathon Gold Corporation (TSX), Board of Directors
- Gabriel Resources Ltd. (TSXV), Board of Directors III

# Committees & Officers

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The Audit, Human Resources Governance, and Investment Attraction Committees serve to assist the Board in carrying out its responsibilities.

## Audit Committee

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**Paul Belliveau, Chair**

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**Bert Frizzell**

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**Brenda Belliveau**

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The Audit Committee oversees NSBI's financial reporting, assesses its internal controls and risk environment, and reviews the audit report prepared by the corporation's external auditor.

## Human Resources Governance Committee

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**Cheryl Hodder, Chair**

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**Bert Frizzell**

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**Marie Mullally**

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The Human Resources Governance Committee ensures appropriate human resources management policies are in place, manages the recruitment process for new Board members, and develops and oversees NSBI's corporate governance principles.

## Investment Attraction Committee

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**Tom Hickey, Chair**

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**Janice Stairs**

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**Ron Smith**

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**Ray Ivany**

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**Sandra Greer**


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The Investment Attraction Committee oversees NSBI's investment framework and policies, monitors the performance of the corporation's investment portfolio, approves financial transactions within Committee limits, and recommends financial transactions outside its approval limit to the full Board for approval.



# NSBI 2017 – 2018 by the Numbers

12.7%   
**12.7% Increase in client-reported actual export sales overall**  
Goal: 10% increase

  
63%  
ROI

**63% Return on Investment projected on authorized payroll rebates**  
Goal: 30%

14.8% 


**14.8% Increase in payroll generated by small-business clients**  
(defined as companies of under \$5 million total payroll)

15 → 24

**Exceeded new exporter goal: 24 clients began exporting for the first time**  
Goal: 15 new exporting clients

50 → 74

**74 Productivity and Innovation Vouchers in clients' hands**  
Exceeding goal of 50 vouchers and the target dollar value and linkages to academia

64% 

**64% increased confidence reported by NSBI clients for the year ahead**  
Compared to 2016-2017



## Story of the Year: Oceans

# Ocean Technology in Nova Scotia

**“We see tremendous opportunity in collaboration. The Ocean Supercluster will create an integrated network of relationships amongst industry, regulators, researchers, technology developers, and policy-makers. Canada’s Ocean Supercluster based here in Atlantic Canada will generate \$300 million in investment in the next five years. That funding will contribute to changing the capacity for innovation in the region.”**

### **Chris Huskilson**

FORMER CEO EMERA, ONE OF THE CORE INVESTORS IN THE OCEAN SUPERCLUSTER

## **Where we work – ocean tech sectors**

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UNDERWATER ACOUSTICS,  
SENSING AND IMAGING

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MARINE COMMUNICATION AND  
NAVIGATION

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SATELLITE TECHNOLOGY

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REMOTE SYSTEMS

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WIRELESS NETWORKS AND  
SENSORS

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BIG DATA, ANALYTICS,  
INFORMATICS AND ARTIFICIAL  
INTELLIGENCE

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In Nova Scotia, the sea is where we learn, innovate, chart our course, and succeed. Over and under its waves Nova Scotians connect the world, harness energy and harvest food, patrol Canada's boundaries, learn about our natural world, and explore uncharted depths.

From the Cape Islander to the Bluenose to hydrophones so sensitive they can hear a whale song from hundreds of miles away, Nova Scotia has led the world in ocean technology for centuries. This spirit of innovation drives the sector today.

### **The Ocean Supercluster**

It's hard to pick a single year out of centuries of living and working on the ocean, but future Nova Scotians may look back on 2018 as one for the books in ocean technology. In February, the Government of Canada and the private sector announced the creation of Canada's Ocean Supercluster. This collaboration will build Canada's ocean economy into one of our most significant and sustainable economic sectors.

The ocean accounts for 15% of Nova Scotia's GDP and one-third of R&D spending. The investment, collaboration, and innovation that will be spurred by the Ocean Supercluster is a huge opportunity that will create economic and educational spin-offs for all Nova Scotians.

It's also a huge opportunity for exporters and attracting global businesses here to Nova Scotia.

### **Unlimited (and sustainable) potential**

The world depends on the oceans. In 2010 the OECD estimated the value of the world's ocean economy to be at least \$1.5 trillion USD, and projected growth of over \$3 trillion by 2030. And in 2015 the World Wildlife Fund estimated the total asset value of the ocean to be at least \$24 trillion.

There are over 300 companies in Nova Scotia's ocean technology sector and most of them are innovators. Nova Scotia's top oceans export markets are the US, the UK, China, and Norway. We support new and established exporters who create new and exciting ways to benefit from, protect, and sustain the sea that surrounds us.

### **COVE**

Entrepreneurs are at the core of Nova Scotia's ocean technology renaissance, and the epicentre of that renaissance is the Centre for Ocean Ventures & Entrepreneurship (COVE). COVE is Nova Scotia's collaborative space for ocean technology businesses, start-ups, researchers, and marine-based and service businesses. It's where startups and SME's can collaborate, conduct research, get guidance, and be inspired. It provides direct access to the ocean, testing facilities, and post-secondary and government research centres.

### **Ocean Frontier Institute (OFI)**

The OFI is a \$220 million project for ocean science. It brings together researchers and institutes from around the world to understand the ocean and create sustainable developments and solutions.

### **Where NSBI fits in**

NSBI's interactions are multi-faceted. NSBI works to connect ocean technology, aerospace and defence, lean technology, life sciences, ICT, and big data with opportunities in global markets and with investors. Our companies are global leaders in ocean-related business, and we support them as they grow, create new products and services, and explore new export markets. Through trade missions and programs like our Innovation Rebate Program and the Productivity and Innovation Voucher Program, our programs and services help exporters succeed and drive growth in our ocean economy. |||

# Inside NSBI: Export

**NSBI helps businesses build an export growth strategy. We help them to grow and manage their export capacity, build scale, and diversify their markets.**

## Think export

Author and thought leader Simon Sinek says people are inspired by a sense of purpose – their “why”.

It’s no different with exporting. For an exporter, customers come to them because of the “why”. So, when we’re looking at export growth, that’s where we start.

## Nova Scotians helping Nova Scotians

We work with companies who do great things. Our job is to find, nurture, and support growth-oriented enterprises.

In 2015, the Conference Board of Canada, through the Global Commerce Centre, asked a simple question, “What does it take to succeed in global markets?” Evidence suggests all successful exporters have these four characteristics in common:

- **They have the right skilled talent (employees and management)**
- **They create a culture of innovation**
- **They have market knowledge**
- **They create international networks**

NSBI programs and services tackle the most common issues facing firms along the export journey by providing them with access to the people, technology, partners, and services they need to succeed. At each stage along a company’s export journey, NSBI has programs and services targeted to match their needs as they progress forward. Some of these key programs and services include trade market intelligence (TMI), export logistics support, export-guided assessment tools, export growth program funding, export development education, and export missions.

## Stay on the right path

We begin by working with exporters to ensure they have a plan to sustain the level of commitment and effort needed to grow exports. We work to understand what they need to do, and then we guide them to appropriate resources and help them build an export plan.

We work at their side as they act on and execute their go-to-market, market entry, or market diversification strategy to find new customers, grow existing ones, and increase export sales.

## Ready for growth

We work with exporters to build capacity and expansion strategies so they can be ready when opportunity knocks. We help them do the homework on growth scenarios so they know how to meet market demand if, and when, it’s needed.

And when that growth happens, NSBI is there to support productivity and innovation growth with programs such as the Innovation Rebate Program and Productivity and Innovation Vouchers.

At NSBI, we want every Nova Scotia business to “Think Export”. We want them to know export success is possible. We want everyone to see export as not only an opportunity, but also an imperative – now and for future generations. **|||**

*“The economic opportunities for Nova Scotia in Asia are significant, particularly in China where the growing middle class is now larger than the population of North America.”*

## Stewart Beck

PRESIDENT AND CEO, ASIA PACIFIC  
FOUNDATION OF CANADA

# Inside NSBI: Investment Attraction

**NSBI attracts foreign direct investment to Nova Scotia in support of the province's goal to grow our economy and strengthen our ecosystems. In a world where global competition for talent is fierce, we compete against multiple regions nationally and globally to attract innovative exporters to Nova Scotia.**

Attracting successful multinational exporters to Nova Scotia builds our economy. It boosts export sales, and it enables Nova Scotia businesses to build relationships with the multinationals to gain access to global markets and create great jobs that allow families to call Nova Scotia home.

## Just the facts

We use an evidence-based approach to attract the right kind of investor to Nova Scotia. We want companies who align with our business strengths, skills, and resources. We want to make sure that we do a good job, and that the companies we attract perform. To create the most value, we stick to three core principles:

**Focus on results** – Incentives are tied to real, proven business results, and won't be paid if companies miss targets.

**Clarity** – To qualify for incentives, companies must have a clear, achievable path to growth.

**No hype** – NSBI press releases on incentive programs contain only the facts of the incentive deal.

## Success is a strategy

Companies that come to Nova Scotia are impressed by the quality and commitment of our workforce.

Nova Scotia's quality of labour is outstanding. Our workforce is highly educated, motivated, and committed to doing a great job. They're motivated by more than just salary, and if they have good work – they'll stick with it. This adds up to two benefits for businesses who come to Nova Scotia – a highly skilled workforce and low turnover.

## Targeted approach

We work across our province, including with our regional partners, to showcase Nova Scotia to the world. We build awareness of our province as an attractive jurisdiction in which to do business and to live.

Targeting and fostering the growth of companies that create long-term, high-value jobs for Nova Scotians is the starting point of NSBI's commitment to Nova Scotians. We help companies innovate and attract a great workforce for the jobs of today and tomorrow.

Incentives are part of the equation. Nova Scotia's incentives are targeted, performance-based programs, and are driving real growth in the province's key sectors of focus: oceans, clean technology, life sciences, and ICT – including digital and financial services.

The strategy works. Our 2017–2018 results show that companies are achieving, and in many cases exceeding, their maximum Full-Time Equivalent targets. This allows new graduates and Nova Scotians, old and new, to call Nova Scotia home. No hype. **|||**

*“Nova Scotia has a wealth of talent and expertise to offer the business community, and I believe our people can compete with the rest of the world.”*

**John Munro**

EY CANADA IT ADVISORY PARTNER



## Building Export Capacity Fuels Growth into New Markets

**“With the help of the great staff at NSBI, we’re able to navigate the many programs available to grow exports. It would have been hard for us to reach the European market in the way we did without their help.”**

**Angus Poulain**

KEEPING ROADS SAFE TECHNOLOGIES INC.

**Keeping Roads  
Safe Technologies Inc.**

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WHO: **ANGUS POULAIN**

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WHERE: **DARTMOUTH**

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SECTOR:  
**TRANSPORTATION  
& LOGISTICS**

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NSBI SERVICE:  
**EXPORT GROWTH PROGRAM  
& CAPACITY BUILDING**

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In March 2011, Angus Poulain's teenage son and daughter were on their way to school when the car they were in was involved in a serious accident. Both children were knocked unconscious and had to be taken to hospital by ambulance.

"Everyone says, it will never happen to me. Well, it happened to my family. A driver was using his cell phone while he was driving," says Poulain.

Luckily the children's injuries were not life threatening but the experience was overwhelming for the family. In response, Angus has dedicated his life to improving road safety. He started Keeping Roads Safe Technologies Inc. (KRS), a Halifax-based tech company that has developed DriveCare, the world's first device to eliminate cellphone use while driving. Now with a full team of engineers and a developed product, KRS is bringing their product to global markets.

Poulain says he did market research and learned that employers were concerned about liability resulting from employees using their cell phones while driving. The fastest way to get DriveCare into the market was through fleet companies and insurance companies. He caught the attention of companies not only here in Canada but around the world. There are now several global companies testing DriveCare and making plans for major roll outs.

"Being a small local business, it is very important to manage our cash flow. After initial discussions with NSBI we learned they have many programs to help support local businesses reach other markets."

KRS deals with businesses from all over the world. NSBI helped the company attend important meetings with clients in Switzerland, Italy, England, and The Netherlands.

At Intertraffic Amsterdam, the world's top trade event for the traffic and mobility industry, KRS beat four other startup companies in the automotive safety industry to win the Intertraffic Startups competition. KRS has also won a partnership with the Dutch government to do a pilot project on delivering DriveCare to Dutch citizens.

"As we grow and prepare to export DriveCare to other countries, NSBI has been very supportive with financial resources and advice. First, they've helped us prioritize. There are a million things going on at once with a startup, and NSBI helped us figure out what we should focus on first to keep the momentum going. They've also helped us with matchmaking, especially at trade shows. They do the research and match us with the right companies - companies who have a real interest in our product."

NSBI is here to help local businesses and entrepreneurs with various programs and partners to assist and remove obstacles. |||



## Sales Beacon Scales the Heights

**“We’ve transformed the company over the last couple of years as a result of the advice we’ve been able to access with NSBI support. I think the Small and Medium Employers award was due in large part to the outside analysis by NSBI-funded PR and marketing firms.”**

**Cynthia Spraggs**  
SALES BEACON

### Sales Beacon

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WHO: **CYNTHIA SPRAGGS**

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WHERE: **CHESTER**

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SECTOR:  
**INFORMATION  
& COMMUNICATIONS  
TECHNOLOGY**

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NSBI SERVICE:  
**EXPORT GROWTH  
& SMALL BUSINESS  
DEVELOPMENT PROGRAMS**

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Cynthia Spraggs knows all about working remotely. A photo of her working on her laptop at Everest Base Camp, an elevation of 5,380 metres, took one of two first prizes in WEConnect International's contest for women business owners last year. The contest, part of WEConnect's Make an Impact campaign, asked women to submit photos of themselves in action managing their business.

"I've been able to travel a lot of the world and work at the same time, and it's been fabulous," she says. "That little backpack always has my PC in it."

Spraggs is the CEO of Sales Beacon, a Chester-based company that is one of Canada's Top 100 Small and Medium Employers (2018). With women making up 80 per cent of its executive, the company is also a certified Women's Business Enterprise. That means it qualifies for supplier diversity opportunities – something with which NSBI will be able to help. This spring, Sales Beacon was invited to participate in Accenture's International Diverse Supplier Development Program that matches senior Accenture executive mentors with "protégé" companies to help them grow their businesses. Additionally, the company has become a Cisco partner in Canada and the USA.

NSBI's Small Business Development Program, providing access to outside expertise, has been a huge benefit, Spraggs says. "We changed our business name, our entire brand, and how we talk about ourselves as a result of having the funding to access outside experts."

Several NSBI Export Growth Program projects have helped Sales Beacon hit markets across the US including: California, Nevada, Georgia, Tennessee, Texas, Michigan, and Illinois. "To be able to travel to those markets and see existing or new clients in person is far more effective than dealing with them over the phone," Spraggs points out. "It's a great program."

The company was begun 11 years ago by two people who wanted to be able to work from anywhere that had high-speed Internet. From the start, the company accommodated employees' personal interests and lifestyles. Spraggs took over as CEO in 2011, and the company now has about 60 employees and has seen 50 per cent growth over the past three years.

"A lot of people in our company have interests they pursue outside work and are passionate about, whether it's surfing or horses or music or travelling," she says. "The whole company was driven by wanting to live life as opposed to wanting to climb a ladder."

Spraggs credits the provincial government's investment in Internet infrastructure a few years ago with enabling companies like Sales Beacon to hire people in small communities. "My personal passion is taking underemployed, talented rural individuals and giving them opportunities for better careers working from their homes," she says. "Nova Scotia is ready-made for a company like ours that is so focused on small town growth. It makes sense to us." ■■■



## Seeding Innovation for Export Growth

**“The voucher program with NSBI was very helpful. We needed to invest time and money into figuring out whether there was a project there. That was a stumbling block because such an investment can be risky. The voucher program allowed us to go ahead and do that research together. It allowed us to get off the ground.”**

**Denis Lanoë**

COPOL INTERNATIONAL LTD.

**Copol  
International Ltd.**

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WHO: **DENIS LANOË**

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WHERE: **NORTH SYDNEY**

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SECTOR:  
**ADVANCED MANUFACTURING**

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NSBI SERVICE:  
**PRODUCTIVITY  
& INNOVATION VOUCHER**

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Innovation is thriving in Cape Breton.

“Innovation is critical to any business, but even more so for manufacturing plants in Cape Breton,” says Denis Lanoë, vice-president operations and general manager of Copol International Ltd.

Located in North Sydney, Copol manufactures cast polypropylene (CPP) film to create a range of plastic products for the flexible packaging industry. CPP is a niche product used mostly for food packaging. The company currently employs 55 people and operates around the clock.

“We’re not in an area where we can compete on high-volume, commodity-type business,” he says. “To succeed in Nova Scotia, you need to be able to differentiate yourself, and you need to compete on something other than price. We want to compete on technology, and in order to do that, we need to keep innovating – having new products and new offerings for our customers.”

Copol is partnering with Cape Breton University’s Verschuren Centre for Sustainability in Energy and the Environment to develop “active packaging” – a film that would react with the product it packages to improve the product or increase its value. “We’re looking at doing research on nanoparticles that can be loaded with various reacting agents that can be embedded in our films,” Lanoë says. “For example, an oxygen scavenger would remove the residual oxygen within the packaging to allow that product to stay fresh longer.” Extending shelf life in this way could reduce food waste.

Copol had been conducting small-scale R&D internally and was starting to look at launching longer-term projects with partners. “The Verschuren Centre has really good technology and the right knowledge and equipment for what we’re looking for,” Lanoë says. “It was a perfect match. But we weren’t sure how to go forward and what was feasible and what wasn’t. Did we have the resources? Was it something we could turn into a multi-year project?”

With the help of the province’s Productivity and Innovation Voucher Program, Copol was able to answer “yes” to these questions, and ensure all parties were in place and committed to the project. The program lets businesses seek out expertise within post-secondary institutions to improve productivity, develop a new product, service, process, and create growth. ■■■



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## **Straight from our Clients**

*“We have big plans for the North American and global markets. With NSBI’s guidance, we are building confidence in our current and future export efforts.”*

**Keith Gelhorn** ADVOCACY LEARNING STRAADDEGIES, DARTMOUTH

*“Thank you for making this possible. You help businesses thrive and grow.”*

**Barb Stegemann** THE 7 VIRTUES BEAUTY INC., HALIFAX

*“Our sales outside of Nova Scotia now represents almost 55% of our business. That is a number which has doubled over the last three years.”*

**Aaron Tingley** TONY’S MEATS, ANTIGONISH

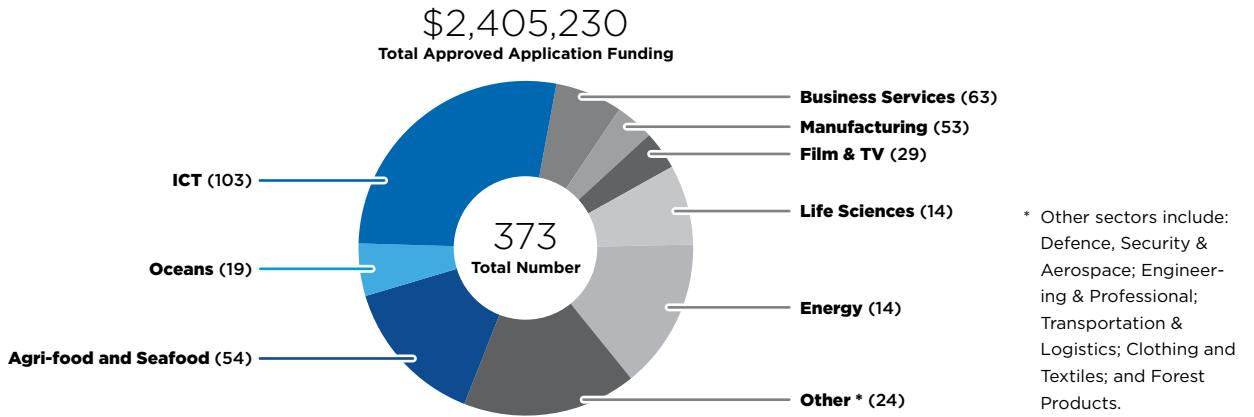
*“Without export, we simply wouldn’t be the company we are today.”*

**Eleanor Beaton** ELEANOR BEATON AND COMPANY COMMUNICATIONS, WINDSOR

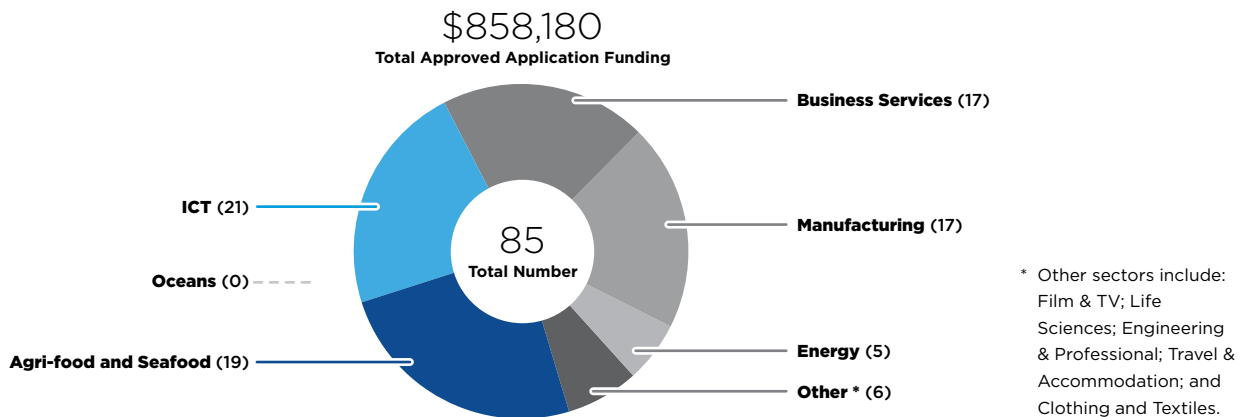
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# Program Funding

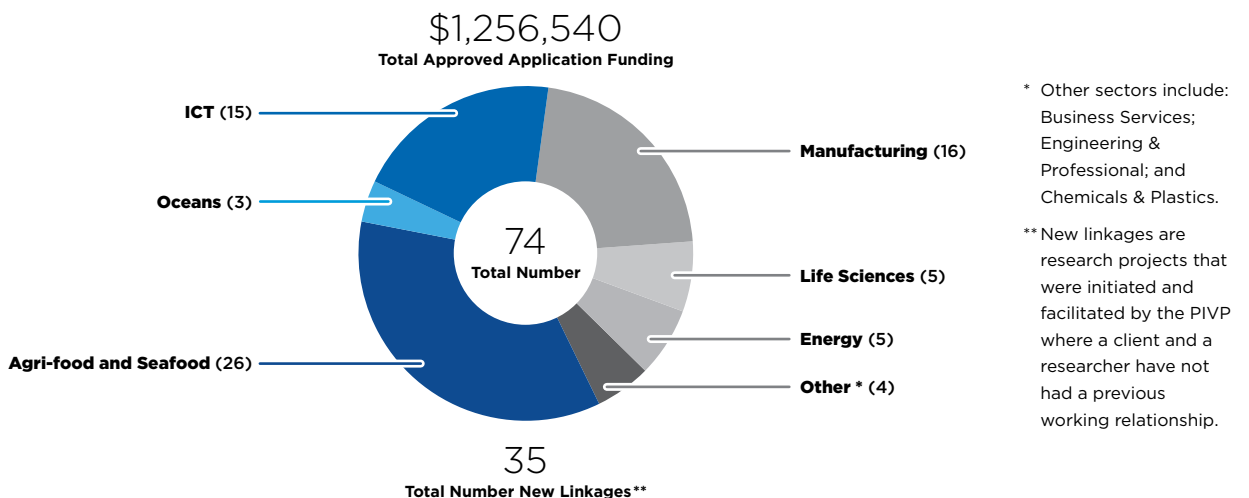
## Export Growth Program (EGP)



## Small Business Development Program (SBDP)



## Productivity and Innovation Voucher Program (PIVP)



# Investment Attraction & Project Management Activity

## Strategic Investment Fund Transactions

The following business development incentives in the form of payroll rebates were authorized during the fiscal year of 2017 – 2018. Payroll rebates are disbursed through the Strategic Investment Funds.

Company	Type	County	Amount
Bulletproof Solutions ULC	Payroll Rebate	Halifax	\$ 871,500
Ernst and Young LLP (EY Canada)	Payroll Rebate	Halifax	\$ 2,488,500
GeoSpectrum Technologies Inc.	Payroll Rebate	Halifax	\$ 490,000
i3Vision Technologies Inc.	Payroll Rebate	Yarmouth	\$ 1,018,200
MDA Systems Ltd.	Payroll Rebate	Halifax	\$ 1,094,800
Nautics Technical Surveillance Corporation	Payroll Rebate	Halifax	\$ 426,300
Opus Fund Services (Canada) Limited	Payroll Rebate	Halifax	\$ 369,000
REIN Technologies Inc.	Payroll Rebate	Halifax	\$ 1,017,016
Velsoft Training Materials Inc.	Payroll Rebate	Pictou	\$ 315,000
VistaCare Communications Services of Canada Inc.	Payroll Rebate	Halifax	\$ 826,500
<b>Total</b>			<b>\$ 8,916,816</b>

## Project Management Activity

Project Management Activity is defined as an activity where NSBI played a significant role in attracting the company's growth in Nova Scotia without providing an economic incentive.

Company	Type	County
Boston Engineering Corporation	Project Management	Halifax
Cold Furnace Studios Inc.	Project Management	Cape Breton
Gogii Games Corp.	Project Management	Halifax
Hutch Games Canada Ltd.	Project Management	Lunenburg
PopReach Incorporated	Project Management	Halifax
Red Meat Games Inc.	Project Management	Halifax
Secure State Cyber Inc.	Project Management	Halifax
Sensor Technology Ltd.	Project Management	Halifax



## Turning the World on its Ear

**“We’re here to stay, we’re here to innovate, we’re here to hire, we’re here to compete, and we’re here to give back to Nova Scotia.”**

**Sean Kelly**

GEOSPECTRUM TECHNOLOGIES INC.

**GeoSpectrum  
Technologies Inc.**

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WHO: **SEAN KELLY**

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WHERE: **DARTMOUTH**

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SECTOR: **OCEANS**

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NSBI SERVICE:  
**PAYROLL REBATE**

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Ocean tech is nothing new to Nova Scotia. It's just finally getting the recognition it deserves, says Sean Kelly. We have always been here, from the famous longtime shipbuilders in Lunenburg who were the forefathers for ocean tech, to the defense tech companies like GeoSpectrum Technologies.

GeoSpectrum Technologies Inc. specializes in underwater acoustic transducers and systems. Based in Dartmouth, GeoSpectrum has been recognized as one of the world's leading providers of specialized surveillance software for a variety of applications including military, marine mammal monitoring, and ocean observation.

"Our growth has been on just the good side of huge and uncontrollable, and we can attribute a significant amount of that to NSBI. Even when things have gotten very much out of hand in that we've been growing so fast, it was really nice to bring NSBI to the table and say, "Okay, we need some help here," or, "we need some advice here."

NSBI is here to help, whether it be in chain-of-supply, or in trying to find a new connection for a new fabricator.

"It could be as simple as just some advice of who do we talk to in the New England states, because we really want to work with some people in the ocean tech industry down there and there's like a million of them. We're worried that we're going to team up with the wrong ones. And all of a

sudden, we've got someone from NSBI speaking to the Consulate General down there making connections. Those connections have led to some really good current and future growth for us."

NSBI staff have partners, insight and tools for companies wanting to make gains in international business. GeoSpectrum has accessed export development programming and a business development incentive through NSBI.

Kelly says GeoSpectrum has specific hiring needs, with long training ramp-ups. Plus their company's culture is to have long-term employees. So the payroll rebate reduces the financial risks and costs of hiring, which is enabling the company to hire more efficiently, and dedicate more time and energy to training and developing new employees rather than putting pressure on them to begin performing from day one.

"This is a very big benefit for our company because it keeps our production cycle aligned with the sales cycle. Consistency in our business impacts revenues and a higher level of innovation and productivity." ■■■



## Nova Scotia Film Making Waves Internationally

**“The Incentive Fund is a great program, and it’s huge for a small project like us to be able to fill such a large percentage of our financing, knowing that NSBI is there to help us. They’re fantastic.”**

**Aaron Horton**

BLAC OP FILMS INC.

**Blac Op Films Inc.**

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WHO: **AARON HORTON**

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WHERE: **HALIFAX**

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SECTOR: **FILM PRODUCTION**

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NSBI SERVICE:  
**NOVA SCOTIA FILM  
& TELEVISION PRODUCTION  
FUND**

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Black Cop, the first feature film by writer/director Cory Bowles and producer Aaron Horton, picked up the John Dunning Discover Award at the 2018 Canadian Screen Awards and was named Best Feature Film at the 2018 Screen Nova Scotia Awards. In March 2018, the film won an award at the International Film Festival and Forum on Human Rights in Geneva.

Described as a psychological drama and a hyperactive satire, the film follows a black police officer who, pushed to the edge, takes on the white community in a maelstrom of abuse and terror.

“The film plays on different levels,” says Aaron Horton. “It tackles current events with racial profiling and police officers, and people connect to it on that level as another perspective. But it’s also structured and shot in a way that people may not have seen before, and it gets people talking.”


The film was made on a micro-budget of under \$230,000 with funding from Telefilm Canada and from NSBI’s Film & Television Production Incentive Fund.

Filmed over 12 days in Halifax and Dartmouth in November 2016, Black Cop used a cast and crew that were almost all from Nova Scotia. “We never considered shooting it anywhere else,” Horton says. “Nova Scotia is a great place to make movies, and the people we like to work with are here.”

To shoot a feature film on a micro-budget requires creativity. A 12-day shoot minimized the number of crew days and gear rental. “We worked with a small crew of people we work with regularly,” Horton says. “They know they won’t make their regular production rates, but they’re willing to be a part of the project to help filmmakers make their first features.” Horton and Bowles both work on Trailer Park Boys, Horton as production manager and Bowles as a director and actor, and some of their crew were also willing to work on the project.

After screenings at nearly 30 North American festivals, the film now has a US distributor, Samuel Goldman Films, and is being released in theatres there and is available digitally. It has played at festivals in Ireland and Argentina, and the team is looking forward to its release soon in Latin America and the UK. Other festivals abroad are also booked.

Following the film’s premiere at the Toronto International Film Festival last year, Bowles acquired a US agent and is being sent projects to consider. He and Horton hope to make another project together in the future.

Horton has worked with NSBI many times because of Trailer Park Boys. “They’re great to deal with,” he says. “Any time I have questions, they’re quick to answer.” 

# Nova Scotia Film & Television Production Incentive Fund

## Approved Funding Commitments

Production Company	Parent Company	Film Production	Type	Amount
3267176 Nova Scotia Limited	3267176 Nova Scotia Limited	Life Entertainment	Documentary	\$ 234,582
3267176 Nova Scotia Limited	3267176 Nova Scotia Limited	Voltage	TV series	\$ 280,290
3286993 Nova Scotia Limited	3286993 Nova Scotia Limited	Pour l'amour du country XVI	TV series	\$ 239,541
3291627 Nova Scotia Limited	3291627 Nova Scotia Limited	Trajectoires 5	TV series	\$ 240,066
A Rude Film Inc.	John Walker Productions Ltd.	Assholes: A Theory	Documentary	\$ 236,911
Baccalieu Media Inc.	Water Street West Entertainment Inc.	Great Harbour Deep	Documentary	\$ 54,664
BFTW NS Ltd.	Farmhouse Productions Limited	Built For The Weekend Season 1	TV series	\$ 102,081
City Chicken Productions Inc.	Clerisy Management Group Ltd.	City Farmers	TV series	\$ 151,562
Clerisy Farms Productions Inc.	Clerisy Management Group Ltd.	Field to Fork	TV series	\$ 161,574
ComedyTV 18 Inc.	Pilot Light Productions Inc.	Halifax Comedy Festival 2018	TV series	\$ 151,919
Conciliatory Pictures Inc.	Emotion Pictures Inc.	Splinters	Feature film	\$ 294,500
Conviction Pictures Inc.	Sea to Sea Productions Ltd.	Conviction	Documentary	\$ 178,067
Decoding Pictures Inc.	Ruby Tree Films Inc.	Decoding Life: The Epigenetics Revolution	Documentary	\$ 40,303
DHX-Hour Productions (NS) XXV Inc.	DHX Media (Halifax) Ltd.	This Hour Has 22 Minutes - Series XXV	TV series	\$ 2,436,761
Doctor Barry Productions Inc.	Arcadia Entertainment Inc.	Doctor Barry Season 1	TV series	\$ 41,938
Exit Interview Productions Inc.	Clerisy Management Group Ltd.	Afghanistan - The Exit Interviews	Documentary	\$ 142,335
Fence Post Productions Inc.	Clerisy Management Group Ltd.	Eyes For The Job Season 2	TV series	\$ 227,063
Four Strings Productions Inc.	Clerisy Management Group Ltd.	Two Lives, Four Strings	Documentary	\$ 146,054
Growing Sense Films Inc.	Growing Sense Films Inc.	Growing Sense	Documentary	\$ 196,000
Haunted 2 Productions Limited	Winter Light Productions Limited	Haunted II	TV series	\$ 243,200
High Park/Locke and Key Nova Scotia Productions Inc.	High Park/Locke and Key Nova Scotia Productions Inc.	Locke & Key	Series pilot	\$ 111,512

# Nova Scotia Film & Television Production Incentive Fund continued

Production Company	Parent Company	Film Production	Type	Amount
Hope For Wildlife 8 Productions Inc.	Arcadia Entertainment Inc.	Hope For Wildlife Season 8	TV series	\$ 339,900
If We Built It Productions Inc.	Arcadia Entertainment Inc.	If We Built It Today	TV series	\$ 260,660
Let's Get N.S. Productions Inc.	Entertainment One Television Productions Ltd.	Let's Get Physical	TV series	\$ 1,267,591
Mama's Pearls Productions Inc.	Mama's Pearls Productions Inc.	Pearls	Short film	\$ 15,149
Mega Marine Machines I Inc.	Arcadia Entertainment Inc.	Mega Marine Machines	TV series	\$ 276,389
Mr. D S7 Productions Ltd.	Topsail Productions Limited	Mr. D Season 7	TV series	\$ 1,770,740
Nexus Media Inc.	Nexus Media Inc.	Transition Garden	TV series	\$ 20,751
Power of Play Films Inc.	Power of Play Films Inc.	The Power of Play	Documentary	\$ 131,807
Recover Productions Inc	Clerisy Management Group Ltd.	Facing Addiction	Documentary	\$ 229,481
Responder Productions Inc.	Clerisy Management Group Ltd.	Lasting First	Documentary	\$ 234,260
Sea Green Pictures Inc.	Sea Green Pictures Inc.	Spinster	Feature film	\$ 188,381
Short Stop Pictures X Ltd.	Short Stop Pictures X Ltd.	Short Film Face Off 2017	TV mini-series	\$ 77,614
Slainte Productions Limited	Winter Light Productions Limited	Slainte	Documentary	\$ 227,200
Some Where Productions Inc.	Clerisy Management Group Ltd.	Somebeach somewhere	Documentary	\$ 97,058
Stand and Deliver Productions Limited	Winter Light Productions Limited	Stand & Deliver	TV series	\$ 220,100
Sunnyvale Productions 12 Incorporated	Swear Net Holdings Incorporated	Trailer Park Boys Season 12	TV series	\$ 1,444,573
Tell Tale International Inc.	Tell Tale International Inc.	The Curse of Oak Island Season 5	TV series	\$ 1,926,689
Tell Tale Productions Inc.	Tell Tale Productions Inc.	Radical Age	Documentary	\$ 163,254
Three Times Penitent Pictures Inc.	Emotion Pictures Inc.	Forgive Me Season 3	TV series	\$ 107,258
TPB RR Productions Incorporated.	Swear Net Holdings Incorporated	Trailer Park Boys, Live at Red Rocks	TV special	\$ 275,681
Winter Light Productions Limited	Winter Light Productions Limited	Citizen K	Documentary	\$ 208,080
Winter Light Productions Limited	Winter Light Productions Limited	Haunted III	TV series	\$ 243,200
Woodstock Bus Productions Inc.	Arcadia Entertainment Inc.	Woodstock Bus: Finding the Light	Documentary	\$ 40,476
<b>Total</b>				<b>\$ 15,677,215</b>

# NSBI 2017 – 2018 Corporate Results

## Discussion & Analysis

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NSBI's impact is best measured through the outcomes and results achieved by our private sector clients. We see our success through the success of the companies we work so closely with throughout the year.

The survey we used to measure the annual results of our clients focused on three key areas: export and employment growth, research and development partnerships, and business confidence, with a breakdown provided on progress achieved within the high potential clusters of ICT, Oceans, and Seafood & Agri-food. Internal metrics were used to track the return on investment of NSBI's new payroll rebate agreements signed over the 2017–2018 fiscal year.

### Export and Home-grown Payroll Growth

NSBI, alongside our government, community, and business partners, has played a key role in building export capacity. And we're happy to say that in this, our third year into our renewed focus, the results are beginning to show.

The value of export sales among NSBI's clients increased by 12.7% in 2017, compared with 2016. When it comes to finding and growing new exporters, NSBI worked with 24 clients that reported export sales in 2017 that did not export outside of Nova Scotia in 2016.

In respect of payroll, growth was highest among clients with annual payroll under \$1 million dollars, with these clients reporting a 19.6% increase in their payroll over the previous year. The next highest growth was achieved by clients with between \$1 million and \$5 million of annual payroll, with these clients reporting a 12.7% increase in their payroll in 2017 compared with 2016. Overall, our clients reported a 1.8% increase in their payroll in 2017, compared with 2016.

In 2017–2018, the projected return on investment of NSBI's payroll rebate transactions was 63% for new agreements signed during the fiscal 2017–2018 year.

### Nova Scotia's High Potential Clusters

NSBI stands behind the province's efforts to build competitiveness and grow the high potential clusters of ICT, Oceans, and Seafood & Agri-food. We're proud to play a role in supporting these sectors to flourish. NSBI's clients within these sectors reported a 12.7% increase in actual export sales, and a 2.6% increase in actual annual payroll in 2017, compared with 2016. Ten of the twenty-four companies that worked with NSBI and achieved export sales in 2017 (that did not sell products and services outside of the province in 2016) were from within the high potential clusters of ICT, Oceans, and Seafood & Agri-food.

### Research and Development Partnerships

Innovation is a key driver of productivity and plays a pivotal role in GDP growth. 2017–2018 was the first year for NSBI's delivery of the Productivity & Innovation Voucher Program to help small and medium sized business build stronger linkages with Nova Scotia's universities and colleges to innovate and grow. NSBI approved 74 Productivity & Innovation Vouchers with a total value of just over \$1.25 million. These vouchers resulted in 35 new linkages between businesses across the province and Nova Scotia's universities and community colleges.

## Business Confidence

We pride ourselves on our ability to play matchmaker. We match people, programs and opportunities. In 2017-2018 NSBI worked with our partners and with businesses across the province to navigate and connect companies with the programs, services, and expertise that would build confidence, develop export capacity, and enable growth in global markets. Of NSBI's clients surveyed, 64% indicated that they are more confident for the year ahead compared with the same time last year.

## Looking Ahead: Building on Client Success

We know our clients are moving the needle, and the positive results from our evidence-based approach support that we're on the right track. We will continue to use real data, results, and client feedback to guide our efforts to grow export capacity.

NSBI stands behind the province's innovation agenda by attracting anchor companies to the province's innovation ecosystem and supporting Nova Scotia businesses on their path to improved productivity. Over the past year, NSBI has implemented new programs aimed at driving research & development and innovation. While it is too soon to see the business results of these programs they have been well received by companies. We look forward to our second year delivering the Productivity and Innovation Voucher Program, and the introduction of the Innovation Rebate Program, and seeing the first results of these programs.


The federal government and private sector's co-investment in the Ocean Supercluster in Atlantic Canada (announced on February 15, 2018) positions Nova Scotia to become a global leader in the knowledge-based ocean economy. The Ocean Supercluster will foster new partnerships between industry, post-secondary education institutions, government, and other partners to accelerate innovation and commercialization, and to drive sustainable economic growth from our oceans. NSBI will help companies take full advantage of the Ocean Supercluster effort and showcase the opportunity to global oceans players, with a particular focus on the promotion of facilities such as the Centre for Oceans Ventures and Entrepreneurship (COVE).

Through our daily interaction with companies across the province, we will listen for the obstacles and challenges standing in the way of their growth. We will bring these concerns to the table to inform and evolve our policies, programs, and services to support our clients' success.

Inclusive economic growth will guide our efforts as we review and improve NSBI's tools, programs, and services to better encourage the hiring of under-represented populations, ensuring that all Nova Scotians benefit from our efforts and those of our clients.

To achieve the export and investment outcomes necessary to grow our economy, 2018-2019 will see NSBI deliver programming and services rooted in evidence that support our businesses as they build export capacity and innovate to keep pace with the constant change in global markets.

We'll also continue to work in partnership with Global Affairs Canada, ACOA and the other Atlantic provinces under the Atlantic Trade and Investment Growth Strategy to achieve the export growth goals for our region.

We look forward to reporting on the impact of our efforts and activities in the year ahead. 

## 2017 – 2018 Corporate Results

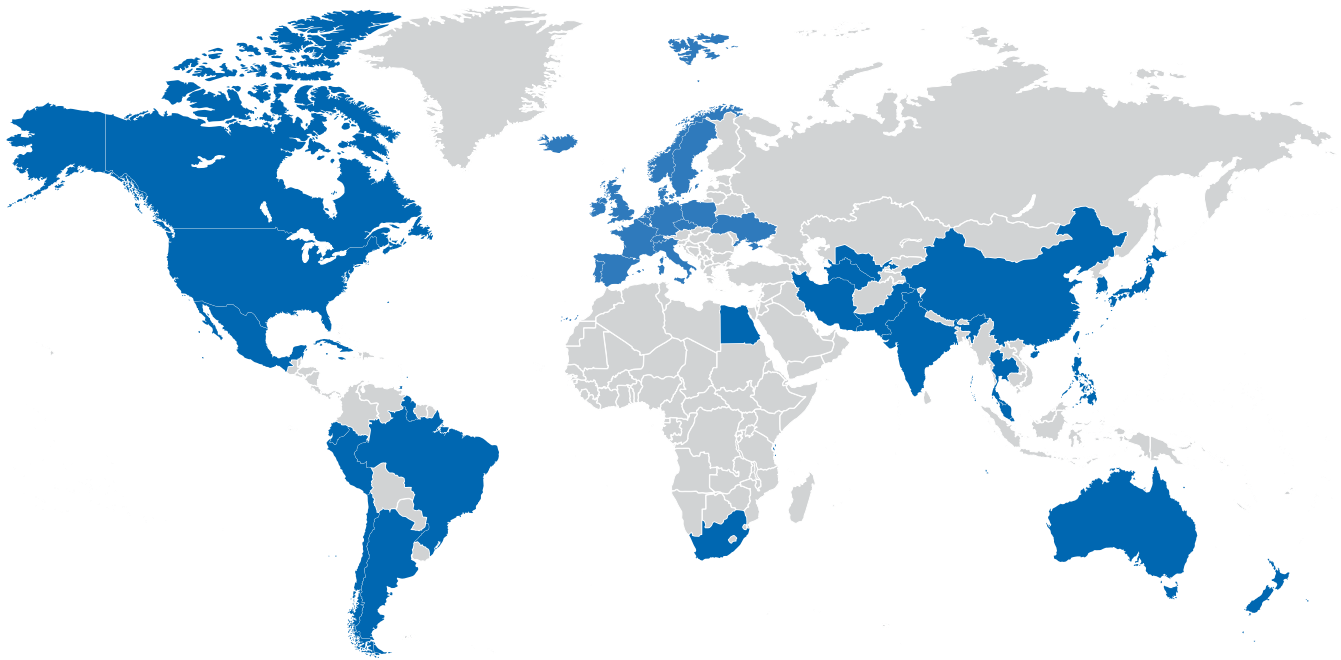
Measures	2017 – 2018 Targets	2017 – 2018 Results
Annual increase in NSBI client reported actual export sales	10% increase in the actual export sales of NSBI's clients overall, and by clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food	12.7% increase in actual export sales overall 12.7% in the high-potential clusters of ICT, Oceans, and Seafood & Agri-food
Number of NSBI clients becoming new exporters	A minimum of 15 NSBI clients become new exporters, with a minimum of 10 clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food becoming new exporters	24 NSBI clients identified as becoming new exporters; 10 within the high potential clusters of ICT, Oceans, and Seafood & Agri-food identified as becoming new exporters
Actual payroll generated by NSBI clients	15% increase in the actual payroll generated by NSBI clients overall, and by clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food	1.8% increase in actual payroll generated by NSBI clients overall 2.6% increase in actual payroll by NSBI clients in the high-potential clusters of ICT, Oceans, Seafood & Agri-food Overall, larger export clients did not report an increase in payroll where our smaller companies did; Smaller (under \$5 million) reported +14.8% payroll, derived from: <ul style="list-style-type: none"> <li>• Those with payroll under a million dollars, reported payroll increases of 19.6%</li> <li>• Those with a one to five million dollar payroll increased their payroll by 12.7%</li> </ul> Larger (over \$5 million) reported -3.3%, derived from: <ul style="list-style-type: none"> <li>• Those with \$5 to \$10 million reported 0.5% decrease</li> <li>• Those with payroll over \$10 million reported 4.1% decrease</li> </ul>
Return on investment (ROI) of payroll rebate transactions	Achieve an average ROI to the province of 30% on payroll rebate transactions	Average ROI to the province of 63% on payroll rebate transactions
Business Climate Confidence	Upward trend in the Business Climate Confidence Index among NSBI's clients	64% of NSBI clients surveyed report increased confidence for the year ahead, compared to 2016 - 2017
Linkages between business and Nova Scotia's universities and colleges	NSBI will issue 50 Productivity and Innovation Vouchers with a total value of \$1 million, resulting in 30 new linkages between business and Nova Scotia's universities and colleges	NSBI issued 74 Productivity and Innovation Vouchers with a total value of \$1,256,540 The vouchers resulted in 35 new linkages between businesses and Nova Scotia's universities and colleges



# Where We Worked Globally

## NSBI doing business across the globe through export development and investment attraction

Shaded regions represent markets where NSBI targeted its investment attraction efforts and/or supported clients to engage in in-market business development initiatives.



### North America

- Antigua
- Bahamas
- Barbados
- Bermuda
- Canada
- Cayman Islands
- Costa Rica
- Cuba
- Dominican Republic
- Grenada
- Jamaica
- Mexico
- Nicaragua
- Puerto Rico
- Saint Lucia
- United States

### Europe

- Austria
- Belgium
- Czech Republic
- Denmark
- England
- France
- Germany
- Greece
- Iceland
- Ireland
- Italy
- Netherlands
- Norway
- Poland
- Portugal
- Scotland
- Spain
- Sweden
- Switzerland
- Ukraine

### Asia

- China
- India
- Iran
- Japan
- Malaysia
- Philippines
- Qatar
- Saudi Arabia
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- United Arab Emirates
- Vietnam

### South America

- Argentina
- Brazil
- Chile
- Guyana
- Peru

### Africa

- Egypt
- South Africa

### Australia

### New Zealand

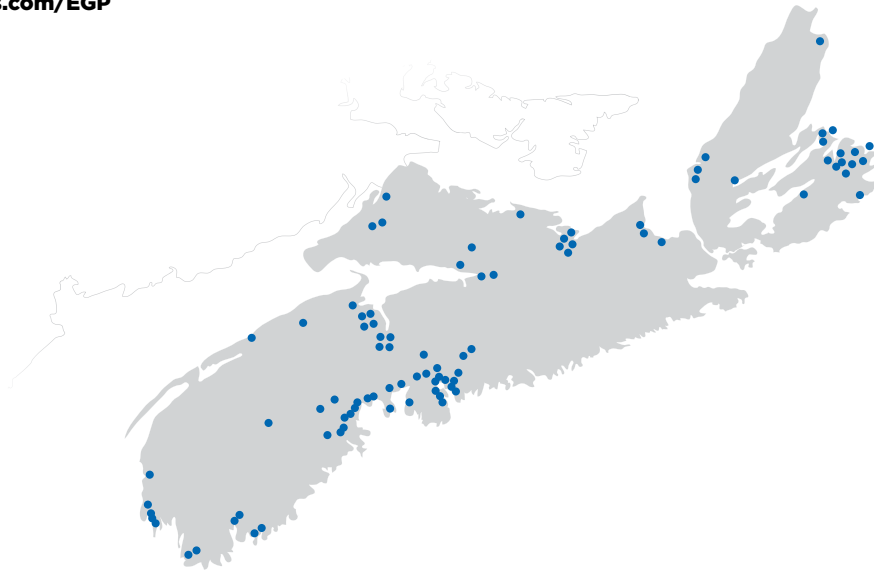
# Where We Worked in Nova Scotia

**Location of NSBI clients accessing the Small Business Development Program, Export Growth Program, Productivity and Innovation Voucher Program, or Trade Market Intelligence services.**

## Export Growth Program

Does your business' export plan include travelling outside of the province? The Export Growth Program offsets the costs of travel to attend a trade show, visit clients, or even bring clients to you. The program contributes up to 50% of eligible costs.

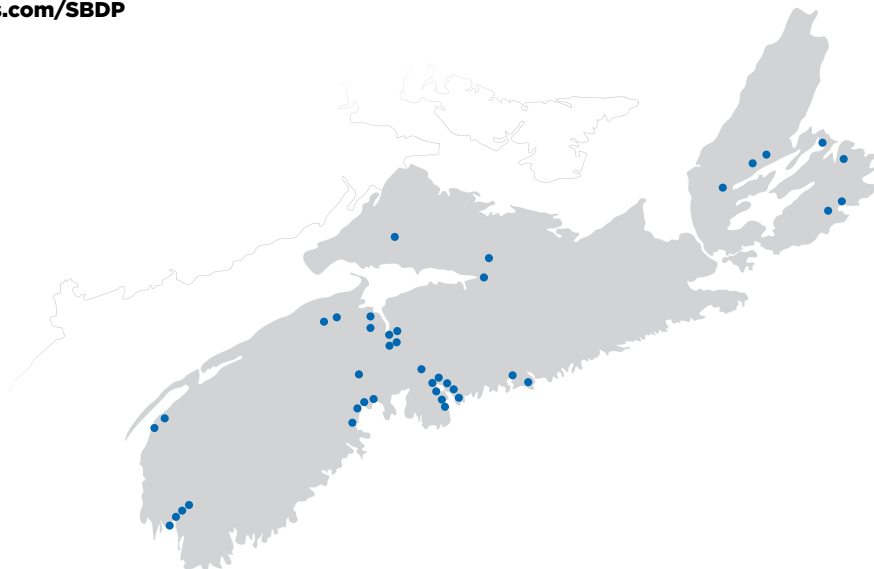
[novascotiabusiness.com/EGP](http://novascotiabusiness.com/EGP)



## Small Business Development Program

Would your business benefit from the services of a professional consultant? The Small Business Development Program offsets the costs of hiring a private sector consultant to conduct research, improve productivity, competitiveness, and capacity, or remove barriers to exporting. The program contributes up to 50% of eligible project costs.

[novascotiabusiness.com/SBDP](http://novascotiabusiness.com/SBDP)

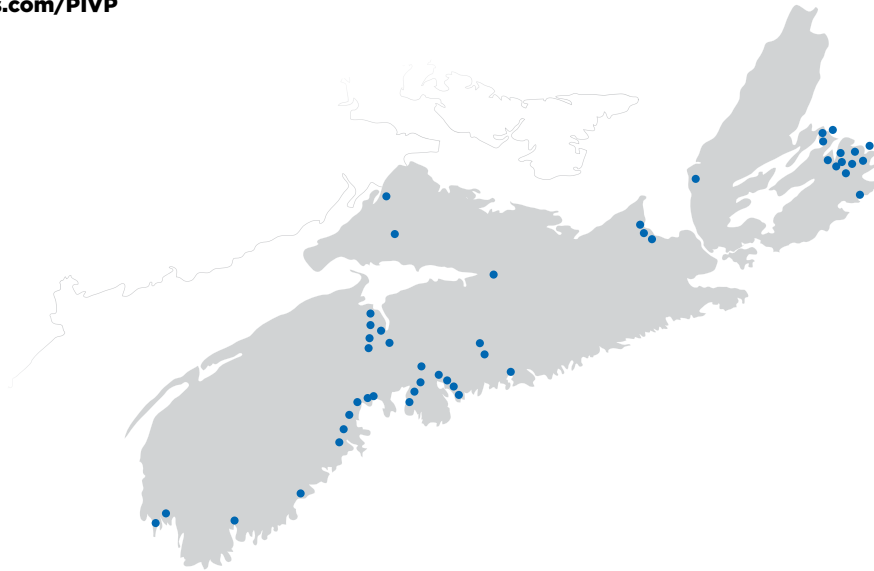


## Where We Worked in Nova Scotia continued

### Productivity and Innovation Voucher Program

Want to access post-secondary institution research and resources? The Productivity and Innovation Voucher Program connects small and medium sized businesses with university or college level expertise to conduct research, solve problems, improve productivity or to develop a new product, service or process. The program provides vouchers up to \$15,000 for new projects and up to \$25,000 to build on work already done.

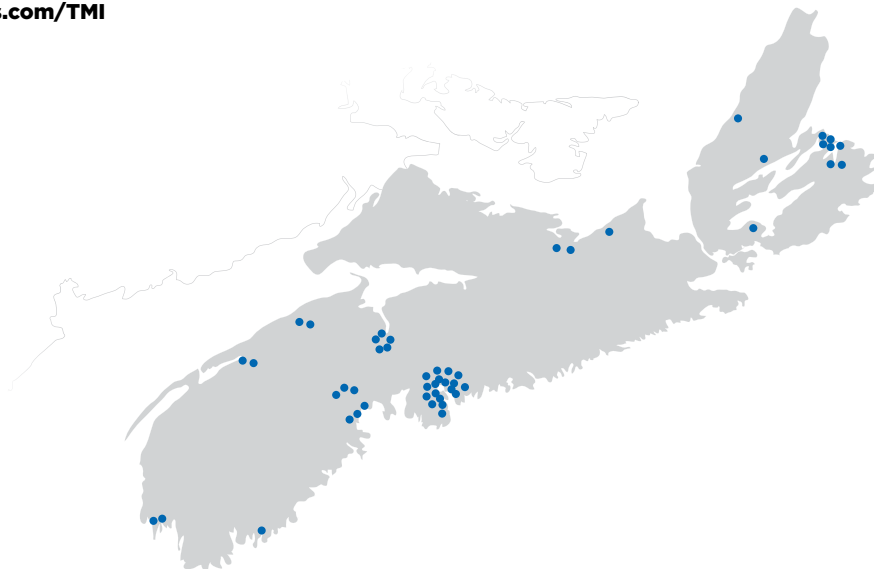
[novascotiabusiness.com/PIVP](http://novascotiabusiness.com/PIVP)



### Trade Market Intelligence

Would access to research help identify export opportunities? Our Trade Market Intelligence service helps small and medium sized businesses identify export opportunities for products and services within markets of interest.

[novascotiabusiness.com/TMI](http://novascotiabusiness.com/TMI)





## Investing in Innovation for Global Competitiveness

**“We employ 225 people, and being proud of what we accomplish at the end of the day is very important for us,” he says. “When people drive by and see all the cars in our parking lot, and see our people working hard, it means the dock is full. It means the economy in southwestern Nova Scotia is moving forward.”**

**Gilles Theriault**  
A.F. THERIAULT & SON LTD.

### **A.F. Theriault & Son Ltd.**

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WHO: **GILLES THERIAULT**

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WHERE: **METEGHAN RIVER**

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SECTOR:  
**ADVANCED MANUFACTURING**

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NSBI SERVICE:  
**INNOVATION REBATE PROGRAM**

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Gilles Theriault is passionate about rural Nova Scotia. As Managing Director of A.F. Theriault & Son Ltd., he oversees Nova Scotia's oldest and largest family-owned shipyard. Over its 80-year history, the company has built more than 800 vessels of up to 45 metres (150 feet) at its yard in Meteghan River, Nova Scotia.

To expand its capacity and increase export sales, the company is undertaking a \$6.65-million capital investment. The expansion of its marine railway's capacity to 1500 tonnes, up from its current 600 tonnes, will enable the company to produce larger boats and work on multiple projects at once. The company is also modifying its yard facilities and purchasing new equipment.

A.F. Theriault & Son is the first client approved by NSBI for its new Innovation Rebate Program, which can incent companies in Nova Scotia to undertake capital investments to increase their competitiveness in global markets.

"The infrastructure upgrade is to keep customers satisfied, but it's also important for our family, our employees, and our community - to keep A.F. Theriault thriving in rural Nova Scotia," says Theriault.

The expansion is expected to add 40 new skilled jobs over and above the construction jobs associated with the project.

The company is in the final stage of delivering the fifth vessel in its contract to build five new ferries for Halifax-Dartmouth. Theriault is proud they were built by Nova Scotians from start to finish.

"A vessel gets built, fabricated, launched, sea trialed, ready to go fishing or on to its job, by our staff," Theriault says. "To achieve that takes a lot of hard work. Since we're in rural Nova Scotia, it's surprising we can keep all the trades and tradesmen on staff to achieve it."

A.F. Theriault & Son works equally hard to keep its employees working, even when times are slow, and its loyalty to staff is reflected back. "Some of our people have been working with us for 35, 40 years," Theriault says.

The Innovation Rebate is providing A.F. Theriault and Son a 25 per cent rebate of eligible project costs. The company has been approved for a maximum rebate of \$1.54 million upon completion of its project. [||](#)



## Creating Connections for Impact

**“Nova Scotia is the best place for our business, partly because we have access to those incredible advisors and because agencies like NSBI and ACOA support us and work with us as our company grows. But a big part of the brand cachet and value is in its ties to local, to the ocean, and to our lifestyle. Being in Nova Scotia is a real asset.”**

**Karen Campbell**

TOTALLY RAW PET FOOD

### **Totally Raw Pet Food**

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WHO: **LAURIE ALEXANDER  
& KAREN CAMPBELL**

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WHERE: **HALIFAX**

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SECTOR: **AGRI-FOOD**

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NSBI SERVICE:  
**GLOBAL ADVISORS**

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When Karen Campbell and Doug Malloy's young German shepherd, Daisy, developed cancer 15 years ago, the couple had no idea that their research into feeding her a healthy diet - and seeing her restored to health - would grow into a business that is now Atlantic Canada's largest producer and distributor of raw pet food, dehydrated treats and supplements.

Their Halifax-based company, Totally Raw Pet Food, has enjoyed double-digit growth in each of those 15 years. It employs 18 people and operates storefronts in Dartmouth and Clayton Park, with a third store opening in Moncton in June. With distributorships in Atlantic Canada, Quebec and Ontario, they are now in more than 100 specialty pet food stores across Canada.

Now they're in expansion mode.

Having worked with NSBI for several years, they consulted their Regional Business Development Advisor who directed them to NSBI's ConnectNS Global Advisor Program. For a small province, we are rich in connections and that's an asset we have been strategically building over the last few years through ConnectNS at NSBI. There are more than 2,700 members in our ConnectNS network in more than 40 countries. The ConnectNS Global Advisors Program is an online digital match-making platform for Nova Scotia exporters to gain exclusive access to 107 Global Advisors here and around the world - a number we're proud to say continues to grow. The advisors are senior executives willing to help our Nova Scotia exporters become more globally connected. The program is provided at no cost to eligible Nova Scotia companies.

"NSBI's Global Advisors' program administrator helped us choose the five best-fit advisors for our company," says Laurie Alexander, who leads Totally Raw Pet Food's business development. "We wanted to learn how to scale up, to get into grocery stores or large retailers. We've done the research, we know our competition, and we want to dominate the all-natural pet food market."

"The Global Advisors Program has been game changing," Alexander says. "We were able to dig in with key, influential people on what would be our best next steps. Karen and I have met with four advisors so far, and every one of those conversations had gems of wisdom we've applied to our growth strategy. To be able to sit down over coffee with someone one-on-one was amazing, and we were impressed by how generous everybody was with their time."

"Hearing from these senior people that we're on the right track with three great product lines and an amazing brand was the catalyst we needed," says Campbell. "We went into this program with so many questions, and came out with clarity and specific growth strategies. We can't thank NSBI enough for this incredible program and how much we were able to learn." ■■■



## Growing the Exporters of Tomorrow

**Dr. Paw**

**“From NSBI we learned that entrepreneurs need to think about exporting. You need to pick your target market and put the time into LOTS of research and understanding about the rules of selling across borders.”**

**Dr. Paw Team**

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**WHO: JUNIOR ACHIEVEMENT COMPANY PROGRAM**

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**WHERE: HALIFAX**

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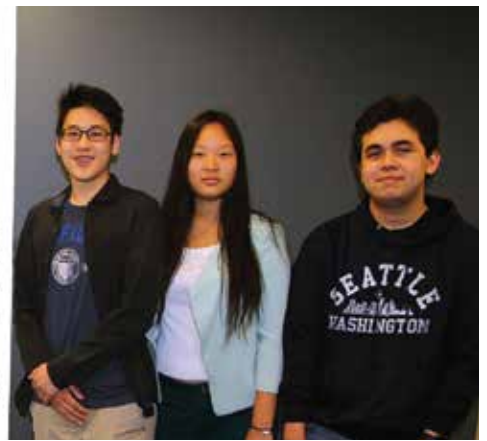
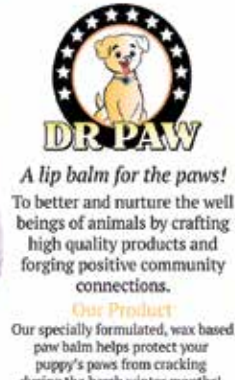
**SECTOR: YOUTH**

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**NSBI SERVICE: COMMUNITY PARTNERSHIP**

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The JA Company Program inspires high school students to understand the role of business in society by starting a business of their own.

Students collaborate with professional volunteers to create, build, and launch a real business. They learn to work within the reality of the Nova Scotia economy and discover the risks and rewards of running a small business. The students also learn to solve actual business challenges, make ethical business decisions, and enhance their critical thinking, presentation and leadership skills.

NSBI offers business advisory services on a voluntary basis.

***“At NSBI we work towards a strong, thriving, and globally competitive Nova Scotia today and for generations to come. We believe in the power of experiences. Much like the way we sell Nova Scotia to the world by showcasing all the value found in doing business with our province, we want to showcase the world of opportunity found in high-value sectors to Nova Scotia youth.”***

**Laurel Broten**

NSBI was matched with a team of six students from Citadel High School and Halifax Grammar School. The team was working to launch Dr. Paw, an all-natural paw balm designed to protect and prevent cracks in a pet’s paws from snow and salty sidewalks. It’s a truly Halifax-born concept: Halifax’s salty and slushy sidewalks can dry out dogs’ paws while they are out for a walk. The team saw a need for a product that could keep sensitive paws safe.

The students canvassed Halifax dog walkers to gauge consumer interest in their product. They researched existing competing paw protection solutions to see what worked and what didn’t. They combined their research to test and create a new product: an all-natural pet-safe paw balm strong enough to protect paws from salt and ice. Then they created a marketing strategy to take Dr. Paw to market.

Each week the students would spend three hours with NSBI for training, guidance, and advice on core concepts like marketing and sales, bookkeeping, and production planning. NSBI also coached the team through the steps of starting and operating a company.

NSBI specialists regularly spoke with the team to help them with a particular stage of growth – for example, when the students were planning to sell their product at the Farmers Market our Export Development team explained how to get the most out of their efforts.

Although they graduated from the Company Program in April, Dr. Paw continues to grow and expand their export market. They also plan to create new products, reduce their costs, and refine their marketing strategy.

The students say the experience of starting their own business has expanded their awareness of what is really possible in Nova Scotia. ■■■

# Eastlink TV Independent Production Fund Program Activity

## Approved Funding Commitments

Production Company	Parent Company	Film Production	Type	Amount
Edison 2 Productions Inc.	Six Eleven Media	Addison Season 2	TV series	\$ 207,000
Mr. D S7 Productions Ltd.	Topsail Productions Limited	Mr. D Season 7	TV series	\$ 207,000
Three Times Penitent Pictures Inc.	Emotion Pictures Inc.	Forgive Me Season 3	TV series	\$ 41,400
<b>Total</b>				<b>\$ 455,400</b>



Mr. D Season 7 is a comedic television series that explores life in a private school. Based on the stand-up comedy act of Gerry Dee, a former private school teacher for nine years, Mr. D is the story of an under-qualified teacher trying to fake his way in a teaching job, just as he fakes his way through life.

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# Consolidated financial statements of Nova Scotia Business Incorporated

March 31, 2018

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## Management's Report

### Management's Responsibility for the Consolidated Financial Statements

The consolidated 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 consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated 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 are 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 consolidated financial statements on a quarterly basis and external audited consolidated financial statements yearly.

The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Nova Scotia Business Incorporated and meet with them when required.

On behalf of Nova Scotia Business Incorporated

Laurel C. Broten  
CEO

Ferdinand Makani  
Controller

## Independent Auditor's Report

To the Board of Directors of  
Nova Scotia Business Incorporated

We have audited the accompanying consolidated financial statements of Nova Scotia Business Incorporated, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and changes in accumulated operating surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Nova Scotia Business Incorporated as at March 31, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants  
June 21, 2018

**Nova Scotia Business Incorporated**

**Consolidated statement of operations and changes in accumulated operating surplus**

Year ended March 31, 2018

(In thousands of dollars)

	Notes	Budget (Unaudited)	2018	2017
		\$	\$	\$
<b>Revenue</b>				
Provincial				
Strategic investment grant		15,107	12,891	14,234
Operating grant		16,303	16,163	13,721
Nova Scotia Film and Television Production grant		22,849	19,800	10,413
Capital grant		—	317	—
Loan valuation allowance grant		1,000	1,000	1,570
Miscellaneous		83	236	292
Other				
Interest on loans receivable		989	1,631	1,580
Gain on sale of tangible capital assets		1,367	1,170	1,353
		—	19	1,141
Nova Scotia Independent Production Fund ("NSIPF")				
revenue (Schedule 1)		—	462	562
Federal				
Recovery of equity investments and development loans		—	1,305	226
Investment (loss) income		100	98	113
		15	(1,379)	56
		<b>57,813</b>	<b>53,713</b>	<b>45,261</b>
<b>Expenses</b>				
Operating expenses (Schedule 2)		16,832	16,667	14,497
Strategic investments		15,107	12,891	14,234
Nova Scotia Film and Television Production incentives		22,849	19,800	10,413
Transfer payments to the Province of Nova Scotia	2	—	335	1,145
Nova Scotia Business Fund: other expenses (Schedule 3)		1,338	678	1,086
Nova Scotia Independent Production Fund				
("NSIPF") expenses (Schedule 1)		—	462	562
Film production equity investments		—	—	28
(Recovery)/Provision for accrued interest receivable		20	(1,354)	13
Provision for credit (recoveries) losses and payment of guarantees		1,000	5,469	(766)
		<b>57,146</b>	<b>54,948</b>	<b>41,212</b>
Annual operating (deficit) surplus		667	(1,235)	4,049
Accumulated operating surplus, beginning of year		13,055	13,055	9,006
Accumulated operating surplus, end of year		<b>13,722</b>	<b>11,820</b>	<b>13,055</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Nova Scotia Business Incorporated****Consolidated statement of changes in net financial assets**

Year ended March 31, 2018

(In thousands of dollars)

	<b>Budget (Unaudited)</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$
<b>Annual operating (deficit) surplus</b>	<b>667</b>	<b>(1,235)</b>	4,049
<b>Change in tangible capital assets</b>			
Acquisitions of tangible capital assets	—	(317)	—
Amortization of tangible capital assets	48	49	51
Gain on sale of tangible capital assets	—	(19)	(1,141)
Proceeds from sale of tangible capital assets	—	335	1,145
<b>Net change in tangible capital assets</b>	<b>715</b>	<b>(1,187)</b>	4,104
<b>Change in other non-financial assets</b>			
Acquisitions of prepaid assets	—	(31)	(34)
Use of prepaid assets	—	34	55
<b>Net change in other non-financial assets</b>	<b>—</b>	<b>3</b>	21
<b>Increase (decrease) in net financial assets</b>	<b>715</b>	<b>(1,184)</b>	4,125
<b>Net financial assets, beginning of year</b>	<b>12,009</b>	<b>12,009</b>	7,884
<b>Net financial assets, end of year</b>	<b>12,724</b>	<b>10,825</b>	12,009

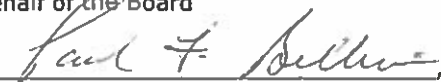
The accompanying notes are an integral part of the consolidated financial statements.



**Nova Scotia Business Incorporated**  
**Consolidated statement of financial position**  
As at March 31, 2018  
(In thousands of dollars)

	Notes	<u>2018</u>	<u>2017</u>
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	13	28,355	24,296
Accrued interest receivable		89	146
Other receivables		753	274
Receivables - NSIPF		2	32
Due from the Province of Nova Scotia		36,289	22,902
Loans receivable	3 and 6	19,261	22,255
Equity investments	4 and 6	6,509	12,826
		<u>91,258</u>	<u>82,731</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		40,343	25,570
Accounts payable and accrued liabilities - NSIPF		8	5
Deferred revenue		397	329
Deferred revenue - NSIPF		273	217
Employee benefits and other liabilities	15	1,329	1,265
Provision for payment of guarantees	6 and 10	—	295
Due to shareholder	7	37,072	41,160
Film production assistance commitments payable		133	190
Film production assistance commitments payable - NSIPF		543	546
Transfer payments payable to the Province of Nova Scotia	2	335	1,145
		<u>80,433</u>	<u>70,722</u>
<b>Net financial assets</b>		<u>10,825</u>	<u>12,009</u>
<b>Non-financial assets</b>			
Tangible capital assets	5	964	1,012
Prepaid expenses		31	34
		<u>995</u>	<u>1,046</u>
<b>Accumulated operating surplus</b>		<u>11,820</u>	<u>13,055</u>
Contractual obligations	9		
Contingencies	10		
Subsequent event	20		

On behalf of the Board

 Director

 Director

The accompanying notes are an integral part of the consolidated financial statements.

**Nova Scotia Business Incorporated**  
**Consolidated statement of cash flows**  
Year ended March 31, 2018  
(In thousands of dollars)

	Notes	<b>2018</b>	2017
		\$	\$
<b>Operating transactions</b>			
Annual operating (deficit) surplus		(1,235)	4,049
Items not affecting cash and cash equivalents			
Amortization of tangible capital assets		49	51
Redemption of loan valuation allowance receivable		(1,000)	(1,570)
Allowance (recoveries) for credit losses and provision for payment of guarantees		5,469	(766)
Gain on sale of tangible capital assets		(19)	(1,141)
		<b>3,264</b>	623
Change in other	13	<b>318</b>	(958)
		<b>3,582</b>	(335)
<b>Capital transactions</b>			
Additions of tangible capital assets		(317)	—
Proceeds from sale of tangible capital assets		335	1,145
		<b>18</b>	1,145
<b>Investing transactions</b>			
Loan advances		(3)	(4)
Principal received on loans		3,550	7,641
		<b>3,547</b>	7,637
<b>Financing transaction</b>			
Principal repayments to the Province of Nova Scotia		(3,088)	(7,976)
Increase in cash and cash equivalents		4,059	471
Cash and cash equivalents, beginning of year		24,296	23,825
<b>Cash and cash equivalents, end of year</b>		<b>28,355</b>	24,296

The accompanying notes are an integral part of the consolidated financial statements.

# **Nova Scotia Business Incorporated**

## **Notes to the consolidated financial statements**

March 31, 2018

(In thousands of dollars)

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### **1. Business overview**

Nova Scotia Business Incorporated (the "Corporation") is a corporation, wholly-owned by the Province of Nova Scotia (the "Province") with an independent Board of Directors. The Corporation was established pursuant to the Nova Scotia Business Incorporated Act, Chapter 30 of the Acts of Nova Scotia, 2000.

The Corporation's mission is to help Nova Scotia businesses grow exports through access to business advisory services, skill development and training to build trade capacity, market intelligence, financing, and support in accessing global markets, with a focus on developing new exporters and attracting innovative, globally competitive companies to establish a business location in Nova Scotia. The Corporation is not subject to provincial or federal taxes.

On April 9, 2015, the Nova Scotia provincial government tabled the March 31, 2016 budget in the House of Assembly, which included the elimination of the Film and Creative Industries Nova Scotia ("FCINS") agency's funding and a plan to cease its operations. Legislation, Bill No. 108 passed by the Government of Nova Scotia, introduced in the spring assigned all assets and liabilities of FCINS to the Corporation effective April 9, 2015 including those of the restricted independent production fund ("IPF").

On April 1, 2016 with the consent of the Province pursuant to Section 68(1) of the Finance Act, the Corporation incorporated a wholly owned subsidiary, Nova Scotia Independent Production Fund ("NSIPF"). On June 9, 2016, NSIPF was certified by the Canadian Radio-Television and Telecommunications Commission ("CRTC") and was added to the list of independent production funds to administer The Eastlink TV Independent Production Fund Program. As a result, the assets and liabilities of the IPF was assigned to and became assets and liabilities of the NSIPF effective June 9, 2016.

NSIPF's purpose continues to be as was FCINS's as an IPF, to support Nova Scotia and Canadian television programming by receiving contributions as a restricted independent production fund under the Broadcasting Distribution Regulations and to distribute such contributions to productions determined to be eligible for funding in accordance with the requirements of the Canadian Radio-television and Telecommunications Commission.

### **2. Summary of significant accounting policies**

#### *Basis of accounting*

The consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board ("PSAB").

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

#### *Reporting Entity*

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of the following entities which are owned or controlled by the Corporation:

- Nova Scotia Business Incorporated
- Nova Scotia Independent Production Fund

Inter-departmental and inter-entity balances and transfers between the entities have been eliminated on consolidation.

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**

March 31, 2018  
(In thousands of dollars)

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**2. Summary of significant accounting policies (continued)**

*Cash and cash equivalents*

Cash includes petty cash and amounts on deposit with financial institutions. Cash equivalents include short-term highly liquid investments with a term to maturity of 365 days or less at acquisition. All are measured at fair market value.

*Loans receivable*

Loans receivable are recognized at amortized cost using the effective interest rate method. Loans receivable are classified as impaired when, in the opinion of management, there is reasonable doubt as to the timely collection of the full amount of principal and interest. A specific valuation allowance is established to reduce the recorded value of the impaired loan to its estimated net recoverable value.

A general allowance of 5% of cost is recorded to reflect anticipated future losses for all loans receivable which do not have a specific allowance.

Initial and subsequent changes in the amount of valuation allowance are recorded as a charge or credit to the statement of operations.

Loans receivable are written off after all reasonable restructuring and collection activities have taken place, and management believes that there is no realistic prospect of recovery. Once all or a part of a loan receivable has been written off, the write-off is not reversed, unless the loan receivable is recovered, in which case the recovery is credited to the statement of operations upon receipt.

*Equity investments*

Investments in equity instruments of private enterprises are carried at cost with realized gains and losses recognized in the statement of operations in the period they are derecognized.

Investments in equity instruments of private enterprises are classified as impaired when, in the opinion of management, there has been a loss in the value of the equity instruments that is other than a temporary decline. A specific valuation allowance is established to reduce the recorded value of the impaired investments to their estimated net recoverable value.

A general allowance of 10% of cost is recorded to reflect anticipated future losses for all investments in private enterprises receivable which do not have a specific allowance.

The investments and loans receivable are reviewed twice yearly for potential declines in value.

A write-down of an investment to reflect a loss in value is not reversed if there is a subsequent increase in value.

*Non-financial assets*

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**2. Summary of significant accounting policies (continued)**

*Tangible capital assets*

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of assets. The cost, less residual value, of the tangible capital assets, excluding land, is amortized over their estimated useful lives as follows:

<u>Asset</u>	<u>Basis</u>	<u>Rate</u>
Buildings	Declining balance	5%
Wharves	Declining balance	5%
Utilities	Declining balance	4-15%

Assets not in use are not amortized until the asset is available for productive use.

In previous fiscal years, the Department of Transportation and Infrastructure Renewal had operational responsibility for the industrial parks and buildings. Certain revenues and expenses associated with the operation of the industrial parks and buildings were accounted for by the Department of Transportation and Infrastructure Renewal and were not reflected in the Corporation's financial statements. However, effective April 1, 2014, the Corporation took over the operational responsibilities of these assets and their related expenses and revenues are now recorded in these consolidated financial statements.

Proceeds from the sale of assets less closing costs are remitted to the Province of Nova Scotia in the form of transfer payments. In the current year, the transfer payments payable to the Province of Nova Scotia was \$335 (\$1,145 in 2017).

*Contributions of tangible capital assets*

Tangible capital assets received as contributions are recorded in revenues at their fair value at the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

*Due to shareholder*

Amounts due to the Shareholder, which are comprised of non-interest bearing debt with no set terms of repayment, are recorded at amortized cost.

*Government transfers*

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. The transfer payments recorded by the Corporation are flow-through arrangements of proceeds from the sale of crown assets which the Corporation administers and are remitted to the Province of Nova Scotia. In accordance with PS 3410, government transfers do not include flow-through arrangements where a government agrees to act merely as an intermediary to administer funds on behalf of another party and has no ability to make decisions regarding the use of the funds.

Similarly, when funds are received as a result of an administrative flow-through arrangement in which a recipient government serves only as a cash conduit (i.e., it has no direct financial involvement in the program nor decision-making capability in relation to the program) the receipt and disbursement of cash would not be recognized as transfers in that recipient government's consolidated financial statements.

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**

March 31, 2018

(In thousands of dollars)

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**2. Summary of significant accounting policies (continued)**

*Revenue recognition*

Government contributions are recognized as revenue in the period the transfer is authorized, and all eligibility criteria have been met, except when, and to the extent, the transfer includes stipulations which have not yet been met.

Government contributions with stipulations are initially deferred and recognized as revenue as the related stipulations are met:

- (a) Operating grants have no criteria or stipulations and the Corporation recognizes revenue on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.
- (b) Strategic investment grants are recognized when expenditure is recorded in accordance with the Corporation's approved budget and shall be provided in accordance with policies, guidelines and procedures set out in the Corporation's business plan.
- (c) Nova Scotia Film and Television Production grants are earned in accordance with the Corporation's approved annual budget and when the eligible producers have completed the final print stage of the approved production.
- (d) Loan valuation grant is provided by the Province of Nova Scotia to offset the provision for credit losses and payment of guarantees.
- (e) Miscellaneous consists of various contracts for trade programs. Revenue is recognized in the period the transfer is authorized, and all eligibility criteria have been met, except when and to the extent the transfer includes stipulations which have not yet been met.

Interest revenue on the loans receivable is recognized on an accrual basis unless the ultimate collectability of the loan is in doubt. When a loan is classified as impaired, interest revenue is no longer recognized, and any interest income that is accrued is reversed. A loan is considered impaired when there is risk of loss to the Corporation of the full and timely collection of principal and interest; generally, when it is more than three months in arrears. In the event a loan is no longer considered to be impaired, interest revenue is recognized in the year of recovery.

*Provision for credit losses and payment of guarantees*

The provision for credit losses is partially offset by a non-cash loan valuation allowance contribution from the Province of Nova Scotia. The contribution is recorded as both a receivable and revenue.

*Employee future benefits*

The Corporation provides certain employee benefits which will require funding in future periods. These benefits include vacation pay and public service awards. Management recognizes compensation expense on an accrual basis with actuarial assessments being carried out every three years. The next assessment is due in the 2021 fiscal year.

In current year, the Province extended a one-time payout in lieu of public service award on retirement to eligible non-union and management employees, payable next year. About 95% of the Corporation's eligible employees elected for this offer in the amount of \$412.

**2. Summary of significant accounting policies (continued)**

*Employee future benefits (continued)*

Permanent employees of the Corporation participate in the Public Superannuation Fund (the "Plan"), a contributory defined benefit pension plan administered by the Province of Nova Scotia, which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. The costs of the employer pension benefits are the Corporation's contributions due to the Plan in the period. The Corporation is not responsible for any under-funded liability, nor does the Corporation have any access to any surplus that may arise in this Plan.

The Corporation accounts for severance pay on an accrual basis and the amount is calculated based upon accumulated unused sick leave or on years of service. The amount is payable when the employee ceases employment with the Corporation.

*Use of estimates*

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant estimates included in the consolidated financial statements relate to the valuation of the loans receivable and equity investments. Actual results could differ materially from these estimates.

*Impairment of long-lived assets*

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation'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.

**3. Loans receivable**

	<u>2018</u>	<u>2017</u>
	\$	\$
Principal due	<b>32,893</b>	33,440
Allowance for credit losses (Note 6)	<b>(13,632)</b>	(11,185)
	<u><b>19,261</b></u>	<u>22,255</u>

Interest charged on these loans ranges from 0% to 10% (0% to 6.8% in 2017). Repayment terms are negotiated on specific loans and would normally not exceed 20 years. The level of security on loans is also negotiated between the Corporation and the debtor based on the risk associated with the individual loan. The security can include life insurance, company assets, personal guarantees or the value of the parent company. Security can range from an unsecured position to a fully secured position.

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**  
March 31, 2018  
(In thousands of dollars)

**4. Equity investments**

	<b>2018</b>	2017
	\$	\$
Common shares	<b>11,156</b>	11,156
Preferred shares	<b>13,416</b>	13,416
Convertible debentures and promissory notes	<b>2,000</b>	5,000
	<b>26,572</b>	29,572
Allowance for credit losses (Note 6)	<b>(20,063)</b>	(16,746)
	<b>6,509</b>	12,826

Certain preferred shares have conversion options and warrants attached.

**5. Tangible capital assets**

			<b>2018</b>	2017
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	Net book value
	\$	\$	\$	\$
Land	<b>82</b>	—	<b>82</b>	82
Buildings	<b>873</b>	<b>686</b>	<b>187</b>	197
Wharves	<b>1,752</b>	<b>1,270</b>	<b>482</b>	508
Utilities	<b>458</b>	<b>245</b>	<b>213</b>	225
	<b>3,165</b>	<b>2,201</b>	<b>964</b>	1,012

**6. Allowance for credit losses and payment of guarantees**

	<b>2018</b>				
	<b>Gross balance outstanding</b>	<b>Specific allowance</b>	<b>General allowance</b>	<b>Total allowance</b>	<b>Net balance outstanding</b>
	\$	\$	\$	\$	\$
Loans receivable (Note 3)	<b>32,893</b>	<b>12,637</b>	<b>995</b>	<b>13,632</b>	<b>19,261</b>
Equity investments (Note 4)	<b>26,572</b>	<b>20,063</b>	—	<b>20,063</b>	<b>6,509</b>
	<b>59,465</b>	<b>32,700</b>	<b>995</b>	<b>33,695</b>	<b>25,770</b>



**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**  
 March 31, 2018  
 (In thousands of dollars)

**6. Allowance for credit losses and payment of guarantees (continued)**

	2017				
	Gross balance outstanding	Specific allowance	General allowance	Total allowance	Net balance outstanding
	\$	\$	\$	\$	\$
Loans receivable (Note 3)	33,440	10,062	1,123	11,185	22,255
Equity investments (Note 4)	29,572	15,497	1,249	16,746	12,826
Guarantees (Note 10)	1,075	295	—	295	780
	<u>64,087</u>	<u>25,854</u>	<u>2,372</u>	<u>28,226</u>	<u>35,861</u>

During the year, investments and other assets in the amount of nil (\$26,475 in 2017) were written off and included in the allowance for credit losses and provision for payment of guarantees.

**7. Due to shareholder**

The Corporation signed a Memorandum of Understanding effective March 31, 2016 with the Province allowing and changing the treatment and recognition of the former long-term debt with the Province. The outstanding notes payable balance of \$50,706 as at March 31, 2016 between the Corporation and the Province was converted into a non-interest bearing shareholder loan with no set terms of repayment. As a condition of this conversion, the Corporation was required to reduce its Loan Valuation Allowance receivable due from the Province by applying it against the outstanding notes payable to the Province. As at March 31, 2018 the amount due to shareholder was \$37,072 (\$41,160 in 2017).

**8. Share capital**

The Corporation is authorized to issue 100 Class A common shares with a par value of \$1 each. At year-end, 100 common shares have been issued to the Province. Share capital is grouped with accumulated surplus on the statement of financial position.

**9. Contractual obligations**

The Corporation has nil (nil in 2017) in approved financing that has not been disbursed as at year-end.

The Corporation provides strategic investments that permit approved businesses to receive a percentage of payroll taxes paid as a rebate. Expenses incurred by the Corporation are match-funded by the Province of Nova Scotia in the form of a Strategic Investment Grant.

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**

March 31, 2018  
(In thousands of dollars)

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**9. Contractual obligations (continued)**

As at March 31, 2018, transactions were approved with maximum annual payments over the next seven years of \$95,797 (\$113,295 in 2017) as shown below:

	\$
2019	24,739
2020	25,538
2021	19,177
2022	10,350
2023	9,607
2024	3,727
2025	2,659
Total	<u>95,797</u>

The Corporation is the administrator of the Nova Scotia Film and Television Production Incentive Fund ("NSFPIF") which was established during 2016 to support the film and television production industry in the Province and to create economic value for Nova Scotians. Expenses incurred by the Corporation will be match-funded by the Province of Nova Scotia in the form of a NSFPIF grant. Eligible organizations that have a permanent establishment in Nova Scotia will be able to apply to the NSFPIF to receive support on completion date of the targeted production based on the following funding streams:

- (a) Base funding of 26% of all eligible Nova Scotia costs for indigenous/co-productions;
- (b) Base funding of 25% of all eligible Nova Scotia costs for foreign/service productions.

Additional incentives over the base funding can be earned for rural production work, shoots more than 30 days, and for Nova Scotia content.

As at March 31, 2018, the following commitments in the amounts of \$7,958 (\$15,506 in 2017) were recognized at the point of issuance of Letters of Intent over the next two years:

	\$
2019	7,716
2020	242
	<u>7,958</u>

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**  
 March 31, 2018  
 (In thousands of dollars)

**10. Contingencies**

*Guarantees*

	<b>2018</b>	<b>2017</b>
	<b>Authorized</b>	<b>Utilized</b>
	\$	\$
Bank loans	<b>1,000</b>	—
Less: provision for payment (Note 6)	—	(295)
	<b>1,000</b>	780

The guarantees are secured by various assets and proceeds from liquidation are expected to offset a portion of any possible payments under guarantees.

*Litigation*

The Corporation is co-defendant with the Province of Nova Scotia and Industrial Estates Limited in a dispute regarding environmental contamination on land previously owned by Industrial Estates Limited. The Corporation believes that any losses incurred related to this claim will be fully funded by the Province of Nova Scotia.

The Corporation is unable to form an opinion in regard to the likelihood of loss arising from the above litigation. Consequently, no provision for any possible loss has been recorded in these consolidated financial statements.

In addition, there are other outstanding claims against the Corporation for events that have arisen in the normal course of carrying on the operations of the Corporation. It is not possible at this time to determine the amount that may be assessed, or the impact to the Corporation's consolidated financial statements, with respect to these claims.

**11. Financial instruments**

*Fair value*

Equity investments in publicly-traded companies are recorded at fair market value, which represents the last bid price for the stock on the stock exchange. The Corporation sold all its publicly traded equity investments in prior years.

Fair value measurements in connection with the allowance for credit losses recognized in Notes 3 and 4 are categorized using the fair value hierarchy that reflects the significance of inputs used in determining the fair values:

- Level 1 - unadjusted quoted prices in the active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3 - inputs for assets and liabilities that are not based on observable market data.

Cash and cash equivalents have been recorded as Level 1 using the fair value hierarchy.

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**

March 31, 2018  
(In thousands of dollars)

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**11. Financial instruments (continued)**

*Financial risk factors*

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. The Corporation's Nova Scotia Business Fund assets are primarily exposed to credit, interest rate, market price and liquidity risk.

*Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Corporation. To mitigate this risk, the Corporation has developed the following policies:

Before financing is approved, a risk assessment is performed on the client. Each application is designated a risk rating based on the industry and business, quality of management, financial history and projections, the level of other creditor involvement and shareholder participation, and environmental risks. The terms and conditions of the approved financing are reflective of the assessed risk. Applications with unacceptable levels of risk are not approved.

Clients are usually limited to a total of \$15 million in financing from the Corporation's Nova Scotia Business Fund. Three clients have exceeded this total in the past; two were approved in the Nova Scotia Business Development Corporation Fund and transferred to the Nova Scotia Business Fund via legislation on November 6, 2001 and both were paid out in a previous year. A third client, that was authorized financing of \$15,100 approved in fiscal 2011, currently has an outstanding balance of \$7,910 (\$8,909 in 2017) which is now below the \$15,000 financing limit threshold and has been fully disbursed.

The risk rating for all clients is monitored on an on-going basis. Clients identified as higher risk are further assessed at year end to determine the extent of potential loss, taking into account the value of the security pledged in support of the financial assistance. This assessment could result in a reduction in the carrying value of the investment via the provision for credit losses.

*Interest rate risk*

Interest rate risk is the risk that the market value of the Corporation's investments and debt will fluctuate due to changes in the market interest rates. It is management's opinion that the Corporation is not exposed to significant interest rate risk arising from financial instruments.

*Market price risk*

Market price risk is the risk that the value of an investment will fluctuate as a result of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting similar financial instruments traded in the market. As these equities are carried at fair value with the fair value changes recognized in the statement of remeasurement gains and losses, all changes in the market conditions will directly result in an increase (decrease) of accumulated remeasurement gains (losses).

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**  
 March 31, 2018  
 (In thousands of dollars)

**11. Financial instruments (continued)**

*Financial risk factors (continued)*

*Liquidity risk*

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity requirements are managed through the receipt of provincial grants, income generated from loans receivable and equity investments, and principal repayments received on loans receivable. These sources of funds are used to pay operating expenses and debt servicing payments to the Province of Nova Scotia. In the normal course of business the Corporation enters into contracts that give rise to commitments for future payments which also impact the Corporation's liquidity. The Corporation also maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities.

The following table summarizes the fixed contractual maturities for all financial liabilities as at March 31, 2018:

					2018	2017
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total	Total
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	40,343	—	—	—	40,343	25,570
Accounts payable and accrued liabilities - NSIPF	8	—	—	—	8	5
Employee benefits and other liabilities	1,053	261	15	—	1,329	1,265
Transfer payments payable to the Province	335	—	—	—	335	1,145
Deferred revenue	288	9	—	100	397	329
Deferred revenue - NSIPF	273	—	—	—	273	217
Provision for payment of guarantees	—	—	—	—	—	295
Due to shareholder	3,562	15,126	5,000	13,384	37,072	41,160
Film production assistance commitments payable	133	—	—	—	133	190
Film production assistance commitments payable - NSIPF	543	—	—	—	543	546
	<b>46,538</b>	<b>15,396</b>	<b>5,015</b>	<b>13,484</b>	<b>80,433</b>	<b>70,722</b>

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**

March 31, 2018  
(In thousands of dollars)

**12. Nova Scotia Business Fund**

The Nova Scotia Business Fund (the "Fund") is comprised of investments approved under the direction and management of the Corporation and investments transferred from the Nova Scotia Business Development Corporation Fund ("NSBDC") on November 6, 2001. The following is a summary of the Fund as at March 31, 2018:

	NSBI portfolio		NSBDC portfolio		2018	2017
	Less allowance for credit losses		Less allowance for credit losses		Net total	Net total
	Gross		Gross			
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Loans receivable	22,704	8,839	10,188	4,792	19,261	22,255
Equity investments	26,362	20,046	210	17	6,509	12,826
Industrial parks & buildings	—	—	964	—	964	1,012
Guarantees	—	—	—	—	—	780
Financing authorized but unadvanced guarantees	1,000	—	—	—	1,000	425
	<b>50,066</b>	<b>28,885</b>	<b>11,362</b>	<b>4,809</b>	<b>27,734</b>	<b>37,298</b>
<b>Funding authorized and committed</b>						
Fund balance authorized, net of write-offs					189,414	189,414
Less: uncommitted balance of fund					127,985	123,890
Committed fund balance					61,429	65,524
Less: allowance for credit losses and provision for payment of guarantees (Note 6)					33,695	28,226
					<b>27,734</b>	<b>37,298</b>

**13. Supplementary cash information**

*Cash and cash equivalents include:*

	2018	2017
	\$	\$
Cash	20,355	16,296
Short-term investments	8,000	8,000
	<b>28,355</b>	<b>24,296</b>

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**  
 March 31, 2018  
 (In thousands of dollars)

**13. Supplementary cash information (continued)**

*Changes in other*

	<u>2018</u>	<u>2017</u>
	\$	\$
Accrued interest receivable	57	15
Other receivables	(479)	238
Other receivables – NSIPF	30	(1)
Due from the Province of Nova Scotia	(13,387)	(12,068)
Prepaid expenses	3	21
Accounts payable and accrued liabilities	14,773	10,221
Accounts payable and accrued liabilities - NSIPF	3	—
Accrued interest payable	—	(95)
Deferred revenue	68	(31)
Deferred revenue – NSIPF	56	188
Employee benefits and other liabilities	64	(504)
Transfer payments payable to the Province of Nova Scotia	(810)	832
Commitments payable – operating	(57)	(45)
Commitments payable – NSIPF	(3)	271
	<u>318</u>	<u>(958)</u>

During the year, cash received for interest income was \$1,080 (\$1,353 in 2017).

	<u>2018</u>	<u>2017</u>
	\$	\$
Non-cash investing transactions		
Conversion of convertible debentures to loan	2,800	—
Conversion of working capital to loan	200	—
Conversion of loan to equity investments	—	207

**14. Related party transactions**

During the year, there were no companies controlled or otherwise not independent of the Corporation eligible for payroll rebate rewards (nil in 2017). As at year-end, the total amount outstanding to companies that were controlled by, or otherwise not independent of, certain directors of the Corporation was \$12,495 (\$12,974 in 2017) for financial assistance. All these investments have specific allowances only recorded against them totaling \$6,529 (\$480 in 2017). Furthermore, there were no payroll rebates under this category this year (nil in 2017).

The Corporation occupies premises for which no rental fee is charged by the Province of Nova Scotia. Management estimates the annual cost to lease the premises is approximately \$462 (\$494 in 2017).

The Corporation receives legal services free of charge from the Province of Nova Scotia. Management estimates the annual cost of these services is approximately \$322 (\$322 in 2017).

These transactions were carried out in the normal course of operations and on terms and conditions that would be similar to those of non-related parties.

**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**

March 31, 2018  
(In thousands of dollars)

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**15. Employee benefits, post-retirement benefits and other liabilities**

The employee benefits, post-retirement benefits and other liabilities, reported on the statement of financial position, are made up of the following:

	<u>2018</u>	<u>2017</u>
	\$	\$
Public service awards and service payouts	<b>692</b>	694
Vacation pay	<b>267</b>	230
Other payroll accruals	<b>370</b>	341
	<u><b>1,329</b></u>	<u>1,265</u>

*Pension benefits*

All full-time employees are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act ("PSSP") based on the employees' length of service and earnings. The plan is funded by the employee and the employer contributions. The employer's contributions for 2018 were \$661 (\$569 in 2017) and are recognized as an operating expense in the year. As a result of changes to the PSSP that took effect April 1, 2013, the Province of Nova Scotia is no longer responsible for any unfunded liabilities of the PSSP, and the Province no longer administers the PSSP. The PSSP is now administered by an independent trustee, the Public Service Superannuation Plan Trustee Inc., which also administers the actuarial and investment risk.

**16. Film production development loans**

Film production development loans previously committed by FCINS were provided to eligible producers to support essential process of the development which takes an idea through the stages of research, writing, market analysis and costing, which must precede the completion of the production financing arrangements. Support for the development of a project does not necessarily imply support for a production. Film production development loans are interest free and are to be repaid the earlier of the first day of principal photography or on the optioning, sale or transfer of the property to a third party.

During the year, the Corporation received \$26 related to the recovery of development loans (nil in 2017). As at March 31, 2018, \$7 (\$7 in 2017) remains undisbursed and is included in commitments payable. Total film production development loans disbursed, assumed and originated at year-end were nil (\$3,071 in 2017).

**17. Film production special projects**

Non-repayable assistance previously committed by FCINS in the form of grants were provided to eligible parties for training, sponsorship, festivals and other business development initiatives to promote the Nova Scotia film, television and creative industries. These were fully disbursed in 2016-17 fiscal year.



**Nova Scotia Business Incorporated**  
**Notes to the consolidated financial statements**

March 31, 2018

(In thousands of dollars)

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**18. Film production equity investments**

Film production assistance previously committed by FCINS, in the form of equity investments were provided to eligible producers for the financing of productions that will provide employment and economic benefit to Nova Scotians. Equity investments are made with conditions of repayment through participation in revenues by projects. Revenue is recorded as reported by producers.

During the year, the Corporation received \$68 (\$101 in 2017) in recovery of equity investments resulting in a cumulative recoupment, assumed and originated, as at March 31, 2018, of \$4,527 (\$4,459 in 2017). Also as at March 31, 2018, \$126 (\$159 in 2017) remains undisbursed and is included in commitments payable. Total film production equity investments disbursed, assumed and originated, at year end were \$46,864 (\$46,819 in 2017).

**19. Nova Scotia Independent Production Fund ("NSIPF")**

NSIPF through The Eastlink TV Independent Production Fund Program provides production assistance in the form of film production equity investments to eligible producers for the financing of production that will support employment and economic benefits to Nova Scotia. Film production equity investments are made with the condition of repayment through participation in revenues by projects. Revenue is recorded as reported by producers. Funds received by the IPF are externally restricted and included on the statement of financial position in cash and cash equivalents and are deferred until committed.

During the year, the Corporation through its subsidiary, NSIPF, received \$512 (\$690 in 2017) from the funding partner to invest in qualifying projects, and \$1 (\$56 in 2017) in the recovery of equity investments. The cumulative total of equity investments made by the IPF, assumed and originated, as at March 31, 2018 is \$4,934 (\$4,478 in 2017). As at March 31, 2018, \$120 (\$119 in 2017) was recouped and \$543 (\$546 in 2017) remains undisbursed and is booked as a commitments payable.

**20. Subsequent event**

During the year, the Company commenced a receivership process for one of its loans receivable which was impaired in previous years. Subsequent to year end the Receiver has confirmed that \$522 will be disbursed to the Company as a partial recovery of amounts owed. No amount has been recorded in the financial statements for this recovery as of year-end.

**Nova Scotia Business Incorporated**

**Schedule 1 – Schedule of the Nova Scotia Independent Production Fund ("NSIPF")  
revenues and expenses**

Year ended March 31, 2018

(In thousands of dollars)

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>Revenue</b>		
Eastlink contributions	456	502
Recovery of equity investments	1	56
Interest income	5	4
	<u>462</u>	<u>562</u>
<b>Expenses</b>		
Equity investments	455	559
Administrative expenses	7	3
	<u>462</u>	<u>562</u>

The accompanying notes are an integral part of the consolidated financial statements.

**Nova Scotia Business Incorporated**  
**Schedule 2 – Schedule of operating expenses**

Year ended March 31, 2018

(In thousands of dollars)

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	<b>Budget (Unaudited)</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$
Salaries and benefits	<b>8,602</b>	<b>8,319</b>	7,692
Business development	<b>6,192</b>	<b>6,840</b>	4,985
Travel	<b>908</b>	<b>669</b>	703
Telecommunications and technical support	<b>647</b>	<b>397</b>	503
Office	<b>339</b>	<b>467</b>	419
Other	<b>105</b>	<b>(74)</b>	131
Legal and audit	<b>39</b>	<b>49</b>	64
	<b>16,832</b>	<b>16,667</b>	14,497

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The accompanying notes are an integral part of the consolidated financial statements.

**Nova Scotia Business Incorporated**

**Schedule 3 – Schedule of Nova Scotia Business Fund: other expenses**

year ended March 31, 2018

(In thousands of dollars)

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	<b>Budget (Unaudited)</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$
Repairs, maintenance, salaries and other	<b>1,201</b>	<b>601</b>	954
Interest	—	—	79
Legal	<b>88</b>	<b>26</b>	—
Amortization	<b>48</b>	<b>49</b>	51
Recovery of commissions and other fees	<b>1</b>	<b>2</b>	2
	<b>1,338</b>	<b>678</b>	1,086

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The accompanying notes are an integral part of the consolidated financial statements.

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