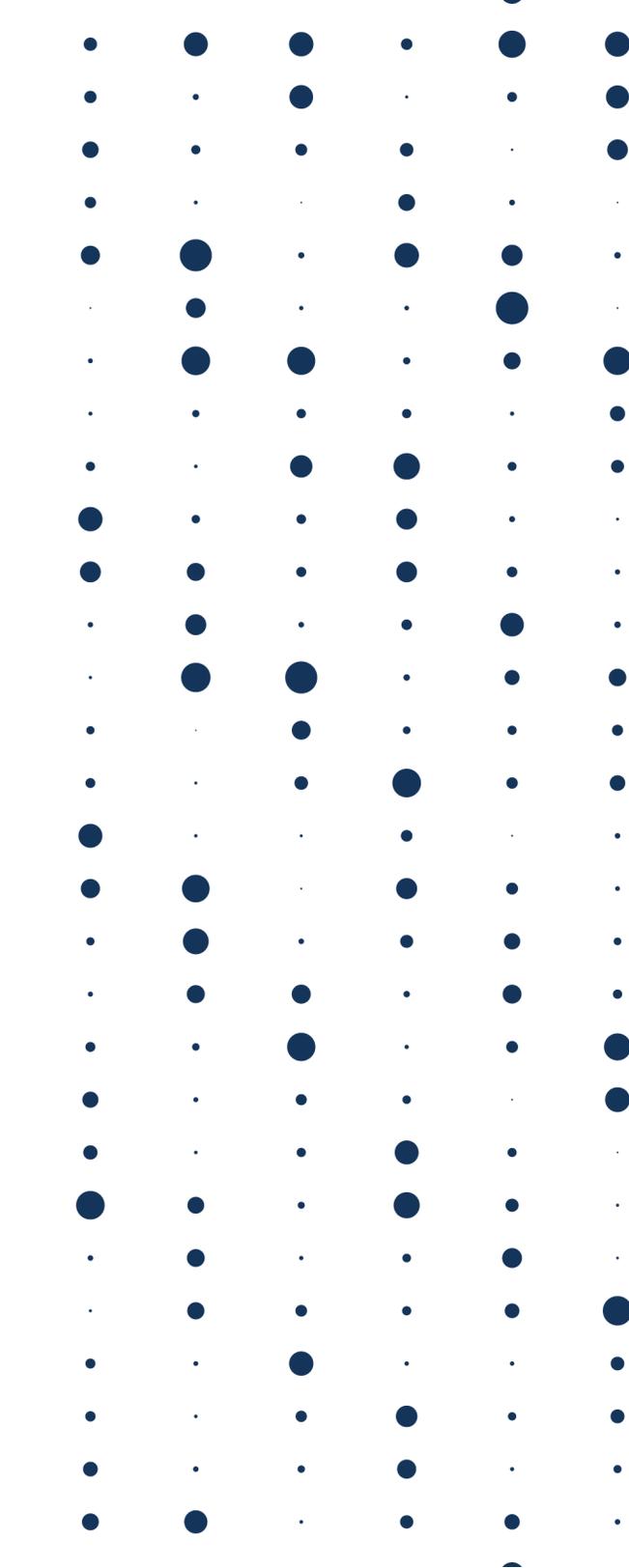




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Nova Scotia Business Inc.

Annual Report 2019-2020



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Message from the Chair of the Board of Directors

Marie Mullally

Not long ago, Nova Scotians and organizations such as Nova Scotia Business Inc. and its Board of Directors took up a call to action. The year was 2014 and the One Nova Scotia Commission called for profound change in our province, and it set important collective stretch goals.

It would not be easy. Important things rarely are.

Strides forward

In each of those intervening years, the NSBI board, management, employees of NSBI, and the client companies with whom we work, demonstrated our care, hard work, and ability to chip away at the One Nova Scotia goals.

On behalf of the NSBI board, I extend our thanks to three directors who served with us through it all until 2019 – 2020: Ray Ivany, Bert Frizzell and Cheryl Hodder. I am pleased to welcome new members, David Graham, Jeff MacLean, and Shaq Smith as we forge ahead.

Annual reports, such as this one, shows the ways we have made gains against business plan goals, innovated, and tried new things, and learned when things didn't meet or exceed our plan. Congratulations to the employees and management of NSBI for your good work.

Caring in the face of a different challenge

This time, the challenge to our province, our country, and to us as global citizens has arrived as the COVID-19 public health pandemic. Its impacts affect our patterns, our community, our economy, as well as our habits and assumptions about the ways to do things.

We all must care.

As chair of NSBI's board of directors, I am joined by women and men who serve as directors – all of whom come from the private-sector. Like all Nova Scotia businesses, we are also pivoting, adapting, and finding ways to rebuild our businesses. We bring these experiences to the NSBI board table to be a part of the conversation as NSBI continues to meet the needs of businesses across the province.

As a board, we take pride in ensuring that the opportunities brought to Nova Scotia continue to be the right fit for our province, aligned with the strategy set out by the Government of Nova Scotia.

We also provide advice and oversight, setting NSBI up for success with policies and procedures that meet today's business practices, as well as ensuring the money entrusted to NSBI by all Nova Scotians is put toward the greatest impact for all communities and regions across the province.

I know how important NSBI is to businesses across our province. We continue caring about our future, about exporting more, about attracting investment and employment opportunities so that our people can rebound from challenges and progress onward.



“

As a board, we take pride in ensuring that the opportunities brought to Nova Scotia continue to be the right fit for our province.

”

Message from the President and CEO

Laurel Broten

Since 2015, Nova Scotia Business Inc. has been on a trajectory to grow exports. The sustainability of our province's economy continues to depend on businesses' ability to sell products outside Nova Scotia and to attract the right type of investment to create good jobs for our communities. Over those five years, we listened to our clients, tried new things, pivoted when necessary, expanded our reach and continued to measure impact.

A New Normal

We work to help businesses overcome barriers throughout their export journey, and these challenges have never been greater. COVID-19 has affected nearly every aspect of our lives, our operations, and the businesses with whom we work. Public health restrictions, closed borders and travel bans have made it difficult for businesses to manage supply chains and reach new markets. These barriers have also made it difficult for international exporters to experience the opportunities of a Nova Scotia location. Yet, despite these challenges, we are witnessing the strength and resilience of our businesses to adapt, retool and innovate to meet the needs of the current global marketplace – and we, alongside our partners and government, are also adapting to support them.



The work accomplished in 2019-2020 and the preceding years is not lost. It is our foundation. It shows us what can be achieved.



Foundation for Recovery

This unprecedented event had the potential to erase the progress we have made over the last five years. And as challenging as the COVID-19 pandemic has been, there is also an upside – if we take advantage of it. These new challenges also bring opportunities. We can focus on regaining and expanding export markets through new and better ways of doing business and build in ways to help include more Nova Scotians as they bounce back. Instead of working to get back to where we were, we will work toward more innovation, more sustainability, more resilience, and positive impacts felt more broadly throughout the province. The work accomplished in 2019-2020 and the preceding years is not lost. It is our foundation. It shows us what can be achieved. We will use it to help businesses rebound and recover.

Investments for the Future

Before the pandemic, the need to be globally competitive was great, and now the need is even greater. The innovative investments that businesses have made through programs like the Innovation Rebate Program (IRP) and the Productivity and Innovation Voucher Program (PIVP) help to better position these companies for what lies ahead. Through the IRP, NSBI incented \$43.8 million in private-sector capital investment in 2019-2020. These investments, along with the investments made by companies throughout the span of this pilot, are making an impact in 11 of the 18 counties across our province. The Productivity and Innovation Voucher Program also helps to accelerate innovation and commercialization. In 2019-2020, NSBI issued 77 vouchers to foster deeper partnerships between companies and our province's rich academic assets to improve productivity, develop a new product, service, or process.

Connections for Opportunity

A large part of what we do at NSBI is create connections to help businesses accelerate their growth. In 2019-2020, we continued to expand our reach, strengthen networks, and make connections here at home and around the globe. We have sustained our efforts over the last five years to maintain deep relationships with our networks so that we open doors for businesses and make that first step into key markets like China, Europe and the United States a little bit easier.

As we observed global trade challenges, followed by the world's largest health and economic event, it is the relationships that have been developed over time that allowed us to continue connecting businesses to the insights they need.

Our network of Global Advisors continues to provide guidance and mentorship and has played a valuable role in helping businesses understand the business climate during the height of this global pandemic.

From partnering with the Halifax Chamber of Commerce to launch the Trade Accelerator Program (TAP), to working with the Canada China Business Council (CCBC) to explore investment and export opportunities in Asian markets, to working closely with our sister agencies to enhance the Province's inclusive economic agenda, we know that our impact is greater when we work together.

Working for all Nova Scotians

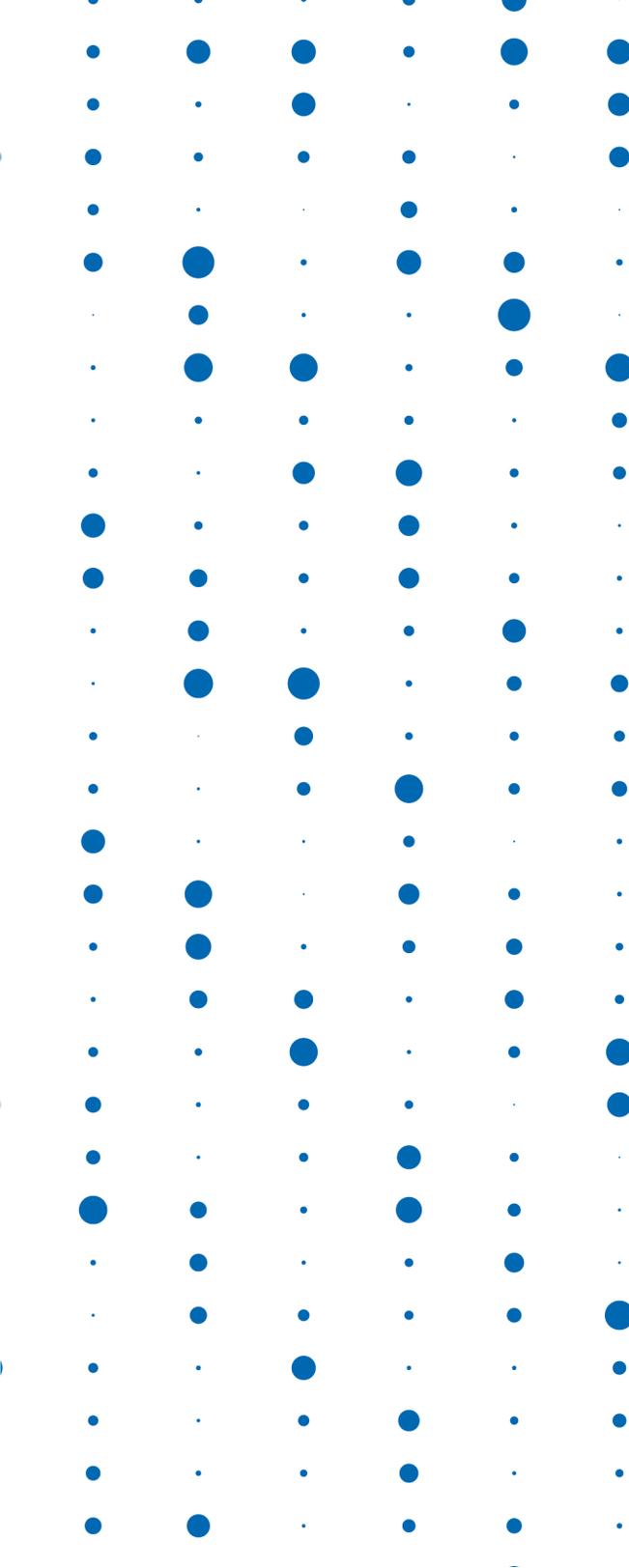
As we lift our heads to look beyond the crisis, we are focused on what matters most to our employees, the businesses we work with, and the communities we serve. We will continue to put the safety and well-being of our clients and staff at the forefront of our decision making as we adapt to the ever-changing environment. We will continue to look for new ways to provide and elevate the support that businesses need during this challenging time in a safe and timely manner. We know the road to recovery will not be easy, but we are committed to working towards a thriving economy for all Nova Scotians – and we will do it together.



Laurel

“
We know the road to recovery will not be easy, but we are committed to working towards a thriving economy for all Nova Scotians – and we will do it together.

”



Board of Directors

Marie Mullally, Board Chair **Appointed Director, December 2014** **HR Governance Committee**

- CUA, President & CEO
- Nova Scotia Gaming Corporation, Former President & CEO
- Halifax International Airport Authority, Chair

Tom Hickey, Board Vice-Chair **Appointed Director, December 2015** **Investment Attraction Committee, Chair**

- T. Hickey Enterprises, President & CEO
- Atlantic Road Construction, CEO
- Atl-Refac Ltd., Board Chair
- Frontline Asphalt Ltd., CEO
- Nova Paving Ltd., Board Chair
- Iconic Brewing Co., Board Chair

Brenda Belliveau, CPA, CA **Appointed Director, September 2016** **Audit Committee**

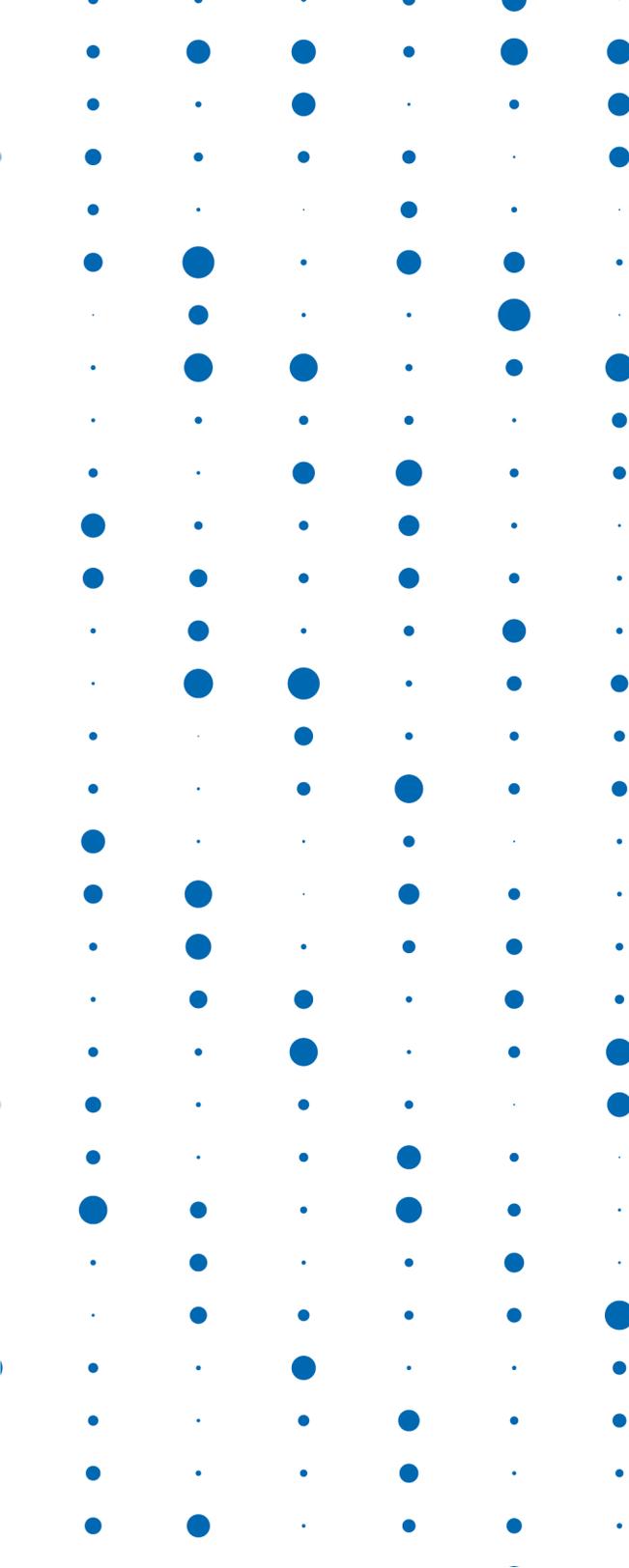
- PwC Atlantic Canada, Managing Partner and Tax Leader
- Mount Saint Vincent University, Board of Governors

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
- The AC Group of Independent Accounting Firms Ltd., Executive Officer
- Now Lunenburg County, Former Board of Directors

David Graham **Appointed Director, February 2020** **HR Governance Committee**

- President of Atlantic Developments Inc.
- Crombie REIT, Former Trustee
- Urban Development Institute of Nova Scotia, Board Member
- The Coady International Institute Capital Campaign Leadership Team, Past Member
- The MacPhee Centre for Creative Learning, Co-Founder, Advisory Board Member and Former Board Chair



Sandra Greer, ICD.D
Appointed Director, September 2016
HR Governance Committee, Chair
Investment Attraction Committee

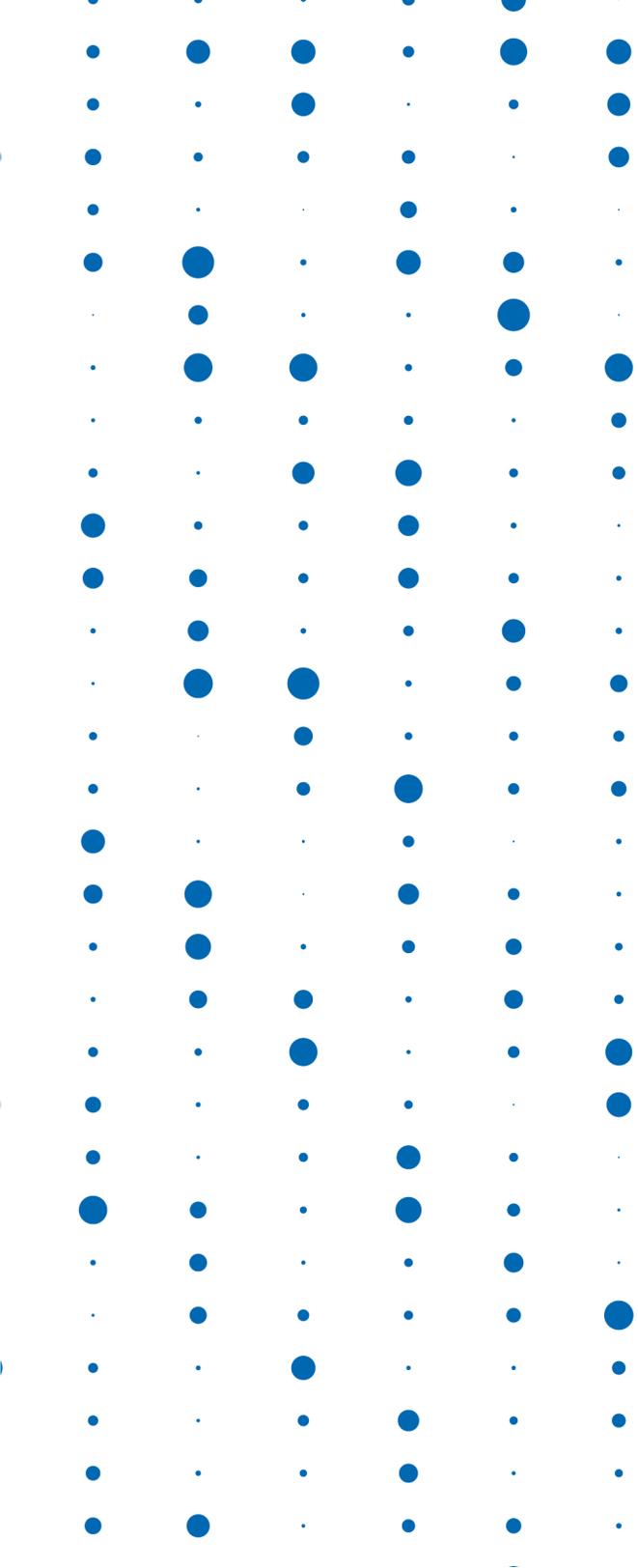
- Amirix Systems Inc. (now InnovaSea Systems), Former President & CEO
- Nova Scotia Power Inc., Board of Directors
- InnovaSea, Board of Directors
- IORE, Board of Directors
- Acadia University, Former Board of Governors
- Nova Scotia Community College (NSCC), Former Board Chair
- Canadian Foundation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

Jeff MacLean
Appointed Director, January 2020
Investment Attraction Committee

- General Manager, Shaw Brick
- Former President of Michelin North America (Canada) Inc.
- Special Olympics of Nova Scotia, Former Board Member

Ronald E. Smith
Appointed Director, May 2011
Audit 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
- Covalon Technologies Ltd., Board of Directors
- Public Service Superannuation Plan Trustee Inc., Chair
- Acadia University, Board of Governors, Former Chair
- The Arthritis Society, Former National Chair
- Western Regional Economic Network, Chair of the Board of Directors
- IWK Health Centre, Board Chair
- Develop Nova Scotia, Board of Directors
- Engage Nova Scotia, Board of Directors



Committees & Officers

Audit Committee

Paul Belliveau, Chair

Brenda Belliveau

Ron Smith

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

Sandra Greer, Chair

Marie Mullally

David Graham

The Human Resources Governance Committee assists the Board of Directors of NSBI in fulfilling its obligations by ensuring that the necessary policies are in place for the effective management of NSBI's human resources, by providing oversight in relation to NSBI's employee compensation framework, including executive compensation and developing and monitoring the Board's approach to corporate governance.

Investment Attraction Committee

Tom Hickey, Chair

Sandra Greer

Jeff MacLean

The Investment Attraction Committee provides stewardship and oversight to NSBI's business development incentive framework, activities and guidelines. The Committee will provide oversight and guidance to management in the development and implementation of strategic initiatives, new tools and incentives in order to drive business development activity, foster economic growth and increase prosperity in the province.

NSBI by the Numbers

30 NSBI clients identified as becoming **new exporters**;

15 within the high potential clusters of **ICT, Oceans, and Seafood** and **Agri-food** identified as becoming new exporters.



Committed
\$118.8 MILLION

in employment income through **payroll rebate** transactions.

Goal: \$70 million

 **15.3%** increase in actual export sales to international markets.



76 new unique self-identified businesses of diversity used NSBI programs & services for a total of 160.



25% of clients **exported to an additional country** in Fiscal 2019-20.

Goal: 10%

\$43.8 MILLION

in private-sector capital investment supported by the **IRP**.

Goal: \$25 million



63 PRODUCTIONS APPROVED under the NSFPIF.

The productions are eligible for up to **\$28,406,600** in funding and represent approximately

\$94,339,717

in Nova Scotia production activity.



11 out of 18 counties across the province are home to companies making capital investments in productivity and innovation through the **IRP**.



Program Funding

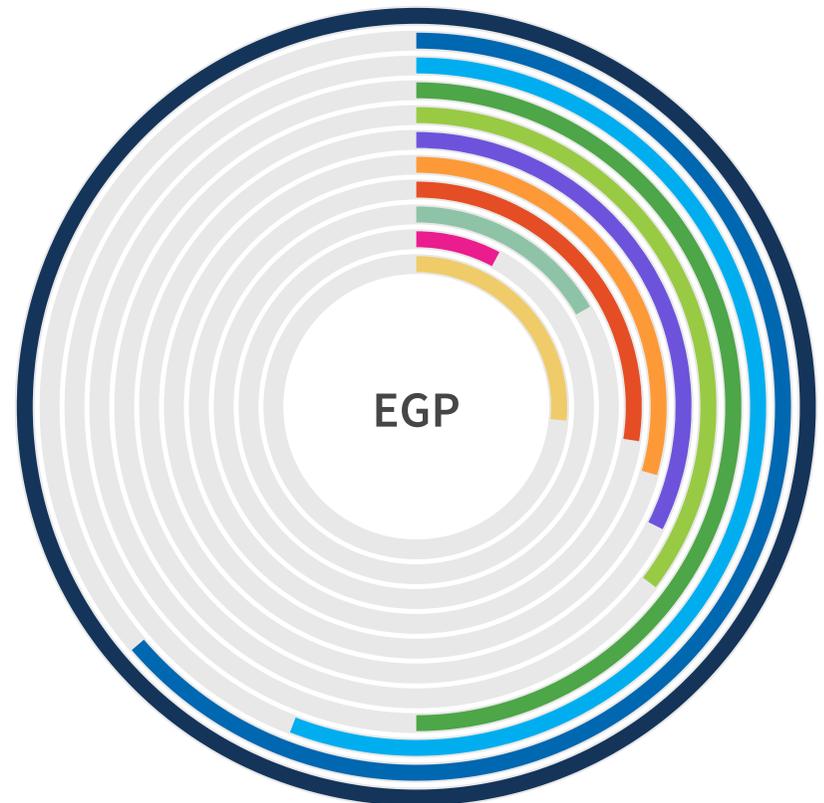
Export Growth Program

454 Approved Applications*

Total Approved Application Funding

\$3,271,571.97

- ICT (includes Digital Media) - 102
- Business Service - 65
- Agri-food - 57
- Advanced Manufacturing - 51
- Film & TV - 36
- Ocean Technology - 33
- Life Sciences - 30
- Seafood - 28
- Energy - 17
- Aerospace & Defence - 8
- Other** - 27



*This is the number of approved applications. NSBI disbursed funds of \$1,807,116.82 on 411 EGP projects in 2019-2020.

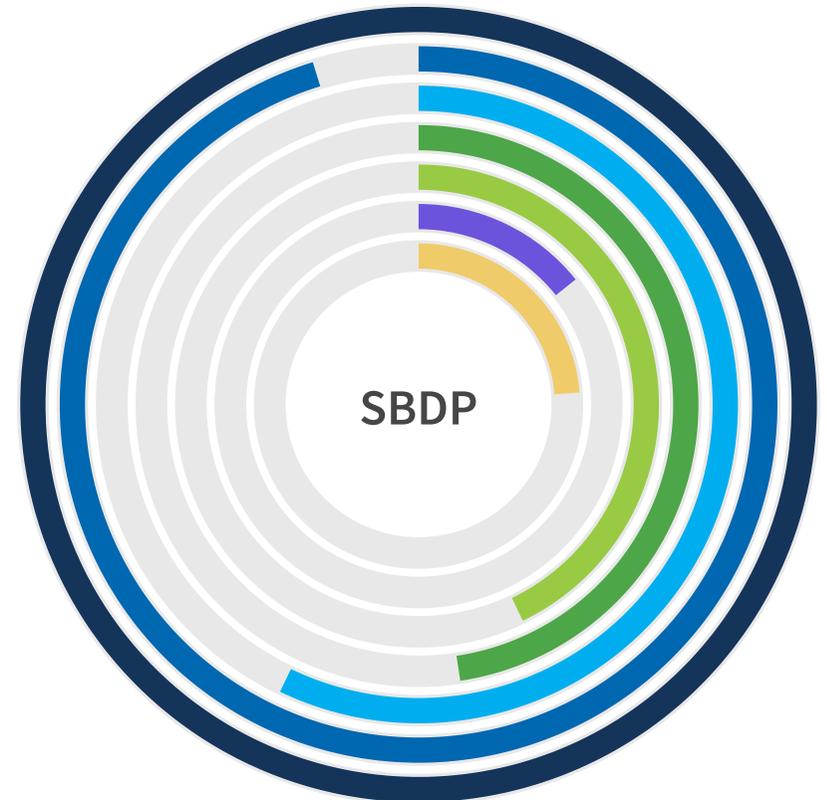
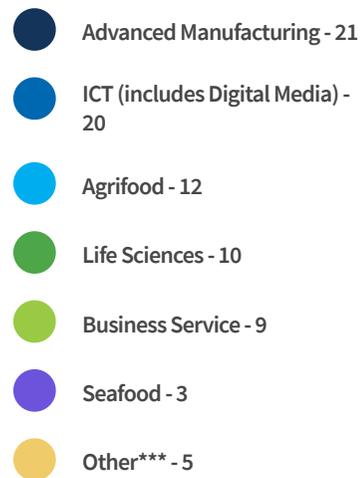
**Other sectors include Chemicals & Plastics; Clothing & Textiles; Creative Industries; Engineering & Professional; Finance & Insurance; Forest Products; Mining & Mineral Products; Transportation & Logistics; and Travel & Accommodation

Small Business Development Program (SBDP)

80 Approved Applications*

Total Approved Application Funding

\$861,007.95**



*This is the number of approved applications. NSBI disbursed funds of \$615,822 on 61 SBDP projects in 2019-2020.

**Ten applications approved in 2019-2020 have been transferred to 2020-2021 due to project delays associated with COVID-19. The deadline for these projects is extended to June 30, 2020 at a value of \$111,530.21.

***Other sectors include Chemical & Plastics, Energy; Engineering & Professional; and Ocean Technology.

Executive Management Growth Program (EMGP)

8 Approved Applications*

Total Approved Application Funding

\$335,436.25**

- Advanced Manufacturing - 4
- Agri-food - 1
- Business Services - 1
- ICT - 1
- Life Sciences - 1



*This is the number of approved applications. NSBI disbursed funds of \$210,595.63 on 7 EMGP projects in 2019-2020.

**Three applications approved in 2019-2020 have been transferred to 2020-2021 due to project delays associated with COVID-19. The deadline for these projects is extended to June 30, 2020 at a value of \$124,840.62.

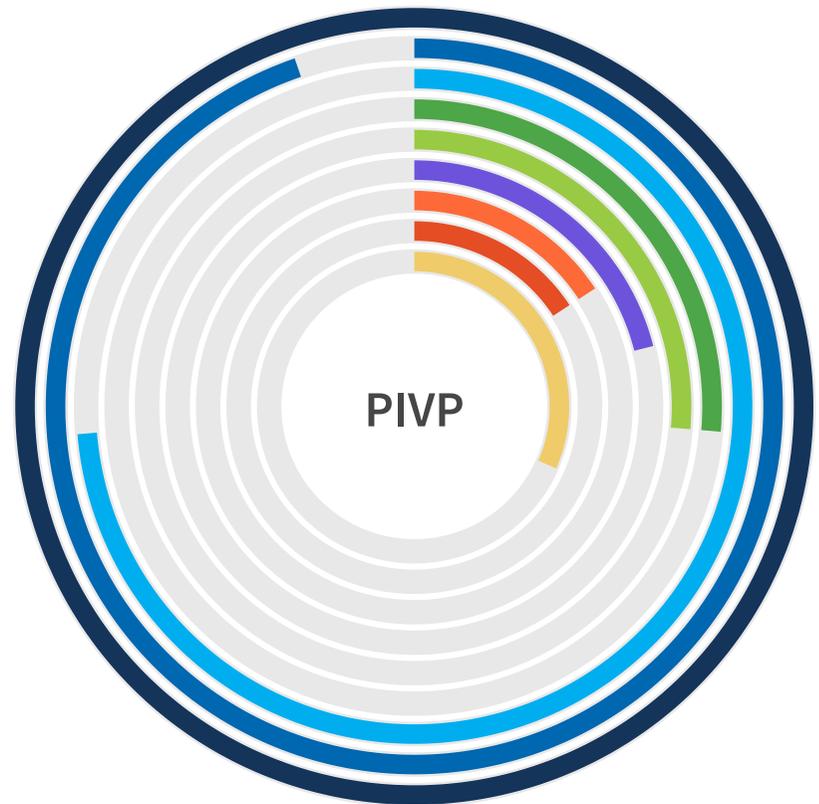
Productivity and Innovation Voucher Program (PIVP)

77 Approved Applications*

Total Approved Application Funding

\$1,465,000**

- ICT - 19
- Agri-food - 18
- Advanced Manufacturing - 14
- Life Sciences - 5
- Energy - 5
- Seafood - 4
- Chemicals & Plastics - 3
- Ocean Tech - 3
- Other*** - 6



*This is the number of approved applications. NSBI disbursed funds of \$1,361,801 on 73 PIVP applications in 2019-2020.

**Three applications approved in 2019-2020 have been transferred to 2020-2021 due to delays associated with COVID-19. The deadline for these projects is extended to June 30, 2020 at a value of \$65,000.

***Other sectors include Aerospace & Defence, Business Services, Clothing & Textiles, Engineering & Professional, Forest Products, Mining & Mineral Products.

Innovation Rebate Program (IRP)

Approved & Announced Funding Commitments

The Innovation Rebate Program provides financial incentives on projects that enable a company to increase innovation capacity through private-sector capital investments or the adoption of new technologies and business processes.

Company Name	Sector	County	Approved Amount
2019-2020			
3284906 Nova Scotia Limited (Nova Scotia Spirit Co.)*	Agri-food	Pictou	\$848,750
A.F. Theriault & Son Limited	Advanced Manufacturing	Digby	\$1,536,878
Cherubini Metal Works Limited	Advanced Manufacturing	Halifax	\$739,657
denHaan Enterprises Limited	Agri-food	Annapolis	\$1,403,023
Kenney & Ross, Limited	Advanced Manufacturing	Shelburne	\$636,884
Mackenzie Atlantic Tool and Die/Machining Ltd.	Advanced Manufacturing	Halifax	\$415,992
Oxford Frozen Foods Limited (Project 2)	Agri-food	Cumberland	\$2,135,000
Scotian Gold Co-operative	Agri-food	Kings	\$477,333
Surette Battery Company Limited	Advanced Manufacturing	Cumberland	\$1,200,248
Totally Raw Natural Dog Food Inc.	Agri-food	Halifax	\$322,233
			\$9,715,998
2020-2021			
Canadian Maritime Engineering Limited**	Advanced Manufacturing	Cape Breton	\$756,473
Dartmouth Metals and Bottle Limited	Advanced Manufacturing	Halifax	\$563,083
McConnell Gordon Estates Limited	Agri-food	Kings	\$1,317,375
Michelin North America (Canada) Inc.	Advanced Manufacturing	Pictou	\$3,569,500
Ocean Crisp Apple Company Incorporated	Agri-food	Kings	\$1,168,766
RKO Steel Limited	Advanced Manufacturing	Halifax	\$725,000
Scotia Harvest Inc.	Fish & Seafood Processing	Digby	\$1,863,333
			\$9,963,530
2021-2022			
Cabot Manufacturing ULC	Advanced Manufacturing	Richmond	\$1,633,750
CKF Incorporated	Advanced Manufacturing	Hants	\$3,505,415
Pratt & Whitney Canada Corp./ Pratt & Whitney Canada CIE (Project 1)	Advanced Manufacturing	Halifax	\$1,265,000
Pratt & Whitney Canada Corp./ Pratt & Whitney Canada CIE (Project 2)	Advanced Manufacturing	Halifax	\$2,369,562
Van Meekeren Farms Limited	Agri-food	Kings	\$1,226,273
			\$10,000,000

Total

\$29,401,653

* client cancelled project ** commitment transferred from 19-20 to 20-21

Investment Attraction & Project Management Activity

Strategic Investment Fund Transactions

The following business development incentives in the form of payroll rebates were announced during the fiscal year of 2019-2020. Payroll rebates are disbursed through the Strategic Investment Funds.

Approved in FY 2019-2020

Company	Sector	County	Amount
9626751 Canada Inc. (Bonsai)	ICT	Halifax	\$2,112,500
AXIS Specialty Canada Services, ULC	Finance & Insurance	Halifax	\$3,610,000
East Coast Metal Fabrication (2015) Inc.	Advanced Manufacturing	Cape Breton	\$680,400
Jonas Software Solutions Inc.	ICT	Halifax	\$1,817,200
L3 Technologies MAS Inc.	Aerospace & Defence	Halifax	\$1,327,200
MOBIA Technology Innovations Incorporated	ICT	Halifax	\$1,306,800
MUFG Fund Services (Halifax) Limited*	Finance & Insurance	Halifax	\$2,220,000
NorthBay Solutions, LLC	ICT	Halifax	\$2,492,800
The Bank of N.T. Butterfield & Son Limited*	Finance & Insurance	Halifax	\$557,779
Turtle Greens Ltd.	Agri-food	Cape Breton	\$846,825
Ultra Electronics Maritime Systems Inc.	Advanced Manufacturing	Halifax	\$2,495,600
VERB Interactive Inc.	Business Services	Halifax	\$1,458,000

Total

\$20,925,104

*amendment

Investment Attraction & Project Management Activity cont.

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	Sector	County
Binogi Studios Ltd.	Digital Media	Halifax
FarrPoint Inc.	ICT	Halifax
Jam Filled Entertainment (Halifax) Inc.	Digital Media	Halifax
Metal Supermarkets Service Company Inc. (MSKS)	Customer Care Centre	Cape Breton
Northview Consulting Ltd.	Shared Service Centre	Halifax
Novalte Inc.	MedTech	Halifax
Sprite Knights	Digital Media	Halifax

Nova Scotia Film & Television Production Incentive Fund Activity

Approved Funding Commitments

The objective of the Nova Scotia Film & Television Production Incentive Fund is to facilitate the production of projects in Nova Scotia that meet the eligibility requirements, in order to support and expand the film and television production industry in Nova Scotia and to create economic value for a broad group of Nova Scotians, including, in particular, key creative positions such as Nova Scotia resident directors, writers, and principal performers.

Legal Name of Production Company	Film Production	Type of Production	Funding Amount Committed
2718 Productions Limited	The Final Draft	TV Series	\$221,211
3286993 Nova Scotia Limited	Tout simplement country	TV Series	\$303,848
3291627 Nova Scotia Limited	Trajectoires VI	TV Series	\$267,356
3313268 Nova Scotia Limited	Le Sens Du Punch II	TV Series	\$153,609
3324021 Nova Scotia Limited	Locke & Key Season 1	TV Series	\$520,690
Beyond3 Productions Inc.	Psychic Kelley Season 2	TV Series	\$386,315
Books of Blood Productions Ltd.	Books of Blood	Movie of the Week	\$2,440,674
Bruised Productions Ltd.	My Name is Faith	Documentary	\$70,617
Captive Productions Inc.	Captive	Feature Film	\$832,357
Club Web Productions Inc.	Digitally Rewired	Documentary	\$313,630
ComedyTV 20 Inc.	Halifax Comedy Festival 2020	TV Series	\$170,631
DHX-Hour Productions (NS) XXVII Inc.	This Hour Has 22 Minutes - Season 27	TV Series	\$2,855,469
Dog Pound Productions Inc.	I am Syd Stone	Other	\$45,884
Downsize Me Media II Inc.	The Big Downsize Season 2	TV Series	\$147,483
Drama Pig Production Inc.	The Real Pigs of Norfolk County	TV Series	\$365,209
Dream Street RBA Pictures Inc.	Rare Bird Alert	Documentary	\$111,513
Family Farm Films Ltd.	Under The Weather	Feature Film	\$159,642
Fancy Monster Media Inc.	Ocean Playground	TV Series	\$265,920

Legal Name of Production Company	Film Production	Type of Production	Funding Amount Committed
Frog Lake Productions Inc.	Diggstown II	TV Series	\$1,965,783
Gnaw On Film Inc.	Gnaw	Feature Film	\$75,136
Handcrafted Productions Limited	Handcrafted	TV Series	\$313,600
Hard Time 1 Productions Inc.	Hard Time - The Television Series	TV Series	\$735,077
Haunted 4 Productions Limited	Haunted Season IV	TV Series	\$243,200
Hi Lo Productions Limited	High Road Low Road	TV Series	\$243,200
Hope for Wildlife 10 Productions Inc.	Hope For Wildlife Season 10	TV Series	\$520,624
Ignite TV Inc.	The Alaska Triangle	TV Series	\$267,795
Interrogation Pictures Inc.	Untitled Chris Watts Story	Feature Film	\$691,569
Interwoven Films Inc.	I Hear You	Other	\$52,177
Jumping The Apex Productions Inc.	Jumping The Apex	TV Series	\$27,749
Lightbulb Productions Inc.	Behind the Bhangra Boys	Documentary	\$27,840
Lords of the Ocean Productions Inc.	Lords of the Ocean	TV Series	\$579,166
Maritime Museums Productions Limited	Maritime Museums - Series 2	TV Series	\$321,552
Matriarch Productions Inc.	DIY Mom Season 3	TV Series	\$31,204
Mega Marine Machines 2 Inc.	Mega Marine Machines Season 2	TV Series	\$486,081
Merchants of The Wild 2 NS Corp.	Merchants of the Wild 2	TV Series	\$31,554
Midnight Blue Pictures Inc.	Night Blooms	Feature Film	\$140,717
Mini Murder Productions Inc.	Bernie Langille Wants To Know Who Killed Bernie Langille	Documentary	\$200,264
Mix Sonore Productions Inc.	Mix Sonore	TV Series	\$322,280
NSK9 2 Productions Limited	NSK9 – Series 2	TV Series	\$227,200
Ocean Magic TV Inc.	These Woods Are Haunted	TV Series	\$461,675
Rarely Heard Films Inc.	Hear! Here!	Documentary	\$21,615

Legal Name of Production Company	Film Production	Type of Production	Funding Amount Committed
Rebirth Films Inc.	8:37 Rebirth	Feature Film	\$264,765
Rebuilding A Legend Productions Inc.	Notre Dame: Rebuilding a Legend	Documentary	\$56,261
Revolution Distribution Inc.	Champions	TV Series	\$229,856
Samsara Productions Limited	Rubicon	Feature Film	\$259,200
Screw Driver Productions Inc.	That DIY Show	TV Series	\$439,865
Short Stop Pictures XII Ltd.	Short Film Face Off 2019	Other	\$82,589
Shush It's a Movie Inc.	Shush	Feature Film	\$68,743
Skye Larke Productions Limited	The Muhlendammerungs of Karl Salsbury Wood	Documentary	\$32,179
Slainte 2 Productions Limited	Slainte Season 2	TV Series	\$227,200
Slainte 3 Productions Limited	Slainte Season 3	TV Series	\$227,200
Social Matrix Productions Inc.	The Social Stories	Documentary	\$560,747
Spice Goddess TV Inc.	Bad Chad 2	TV Series	\$481,127
Starlet Film Inc.	Queens of the Qing Dynasty	Feature Film	\$211,169
Tell Tale International Inc.	The Curse of Oak Island Season 7	TV Series	\$3,540,925
Tell Tale Media Inc.	Isle Madame	Documentary	\$147,870
The Good House Productions Inc.	The Good House	Feature Film	\$2,207,901
The Tufts Productions Inc.	The Tufts	Feature Film	\$35,473
Underfoot Productions Inc.	History's Horrible Humans	Documentary	\$272,935
Wild Game Productions Inc.	Wild Game	TV Series	\$206,279
Winter Light Productions Limited	Cinema 902 Series 2	TV Mini Series	\$307,200
Winter Light Productions Limited	Haunted Season V	TV Series	\$480,000
Winter Light Productions Limited	The Last Divide	TV Series	\$448,000

Total

\$28,406,600

Eastlink TV Independent Production Fund Activity

The Nova Scotia Independent Production Fund through the Eastlink TV Independent Production Fund supports the production of Canadian television animation and/or live action series that are scripted and fiction-based.

Approved Funding Commitments

Legal Name of Production Company	Parent Company	Film Production	Type of Production	Funding Amount Committed
Frog Lake Productions Inc. (Nova Scotia) and Search It Up Productions II Inc. (Ontario)	Waterstar Entertainment Inc. (co-owner of Frog Lake Productions Inc.)	Diggstown S2	TV Series	\$237,000
Huminah Huminah Animation Limited	n/a	Dog Squad	Animation TV Series	\$118,500

Total

\$355,500

Diggstown *Frog Lake Productions Inc.*



Where we worked globally

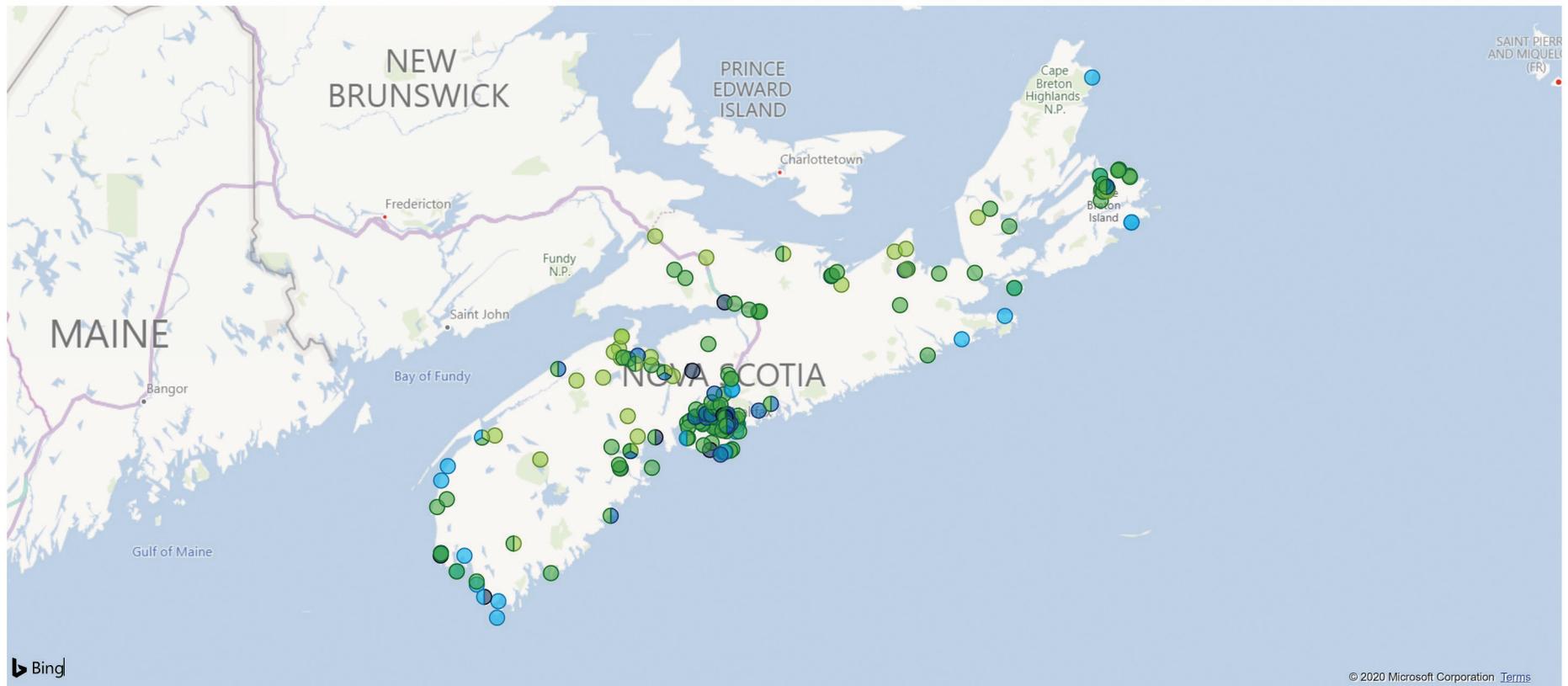
NSBI doing business across the globe through export development and investment attraction

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



Where we worked locally

Location of NSBI clients accessing programs and services.



Sector ● Agri-food ● ICT ● Ocean Technology ● Other ● Seafood

Export Growth Program	Innovation Rebate Program	Investment Attraction Project Management	NS Film & Television Production Incentive Fund
Other*	Payroll Rebate	Productivity and Innovation Voucher Program	Small Business Development Program

*Other includes Pitch Prep, Eastlink TV Independent Production Fund , Scale-Up Hub, and Executive Growth Management Program clients.

Corporate Results 2019-2020

Measure

Annual increase in NSBI client reported export sales*

Target

15% increase in the actual export sales of NSBI's clients overall, and by clients within high-potential clusters of ICT, Oceans, and Seafood & Agri-food

Results

15.3% increase in actual export sales to international markets

9.3% increase in actual export sales to all markets

19.8% increase in actual export sales to international markets in the high-potential clusters of ICT, Oceans, and Seafood & Agri-food

18.0% increase in actual export sales to all markets in the high-potential clusters of ICT, Oceans, and Seafood & Agri-food

*Data collected from clients.

Measure

Number of NSBI clients becoming new exporters*

Target

A minimum of 25 NSBI clients become new exporters, with a minimum of 10 clients within high-potential clusters of ICT, Oceans, and Seafood & Agri-food becoming a new exporter

Results

30 NSBI clients identified as becoming new exporters

15 clients within the high-potential clusters of ICT, Oceans, and Seafood & Agri-food identified as becoming new exporters

Measure

Diversification of export markets*

Target

A minimum of 10% of NSBI clients diversify markets through exporting to an additional country

Results

25.0% of clients exported to an additional country in Fiscal 2019-2020

Measure

Actual payroll generated by NSBI clients*

Target

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

Results

6.1% increase in actual payroll generated by NSBI clients overall

21.6% increase in actual payroll by NSBI Payroll Rebate clients

6.9% increase in actual payroll by NSBI clients in the high-potential clusters of ICT, Oceans, and Seafood & Agri-food

*Data collected from clients.

Measure

Employment income generated for Nova Scotians

Target

Attract a minimum of \$70 million in committed employment income through payroll rebate transactions signed in 2019-2020 and other investment attraction efforts, with a minimum of 10% targeted to the attachment of Aboriginal and/or Indigenous persons, African Nova Scotians, persons with disabilities, veterans, LGBTQ, new graduates, new residents and others currently under-represented in Nova Scotia's workforce

Results

Committed \$118.8 million in employment income through payroll rebate transactions

25.2% of the committed employment income targeted to the attachment of Aboriginal and/or Indigenous persons, African Nova Scotians, persons with disabilities, veterans, LGBTQ, new graduates, new residents, and others currently under-represented in Nova Scotia's workforce

Measure

Actual expenditures of projects supported by the Innovation Rebate Program

Target

Incent a minimum of \$22.5 million in private-sector capital investment aimed at increasing innovation or the adoption of new technologies and/or business processes

Results

\$43.8 million in private-sector capital investment supported by the Innovation Rebate Program



Corporate Results Discussion & Analysis

Measuring what matters: the hard work and headway made by Nova Scotia businesses and their employees.

At NSBI, we strive for ever-increasing sophistication as we measure the activities undertaken and outcomes achieved with our clients. In 2019 – 2020, as in other years, NSBI continued to learn from our work with our clients and our community partners, and to evolve and expand our service offering.



“

NSBI plays a key role amid an interconnected system of partners all working to improve export outcomes for our province.

”

The companies using NSBI’s programs, services, and advice report their annual outcomes each year. Tapping into what NSBI provided, Nova Scotia businesses became new exporters, grew the value and expanded the range of exports, diversified into new markets, and increased employment. Our clients also shared with us capital investment supported by the Innovation Rebate Program, payroll, including details from their employment of under-represented Nova Scotians, and achievements specifically from within the high-potential clusters (“HPC”) of ICT, Oceans, and Seafood & Agri-food.

Export Growth

NSBI plays a key role amid an interconnected system of partners all working to improve export outcomes for our province.

In 2019-2020, NSBI clients saw an increase of 15.3% in the value of exports to international markets, and exports to all markets increased by 9.3%. Among all our clients who reported to us, those who specifically participated in NSBI Export programming (Export Growth Program, Scale-Up Hub, Trade Missions and/or Workshops) reported that they increased export sales outside Nova Scotia over the previous year by 16.7%, and Export Growth Program participants excelled - reporting an increase in exports of 27.1% year-over-year.

For NSBI, the primary objective of our programs and services is to develop new exporters, build up businesses’ export capacity, and find opportunities for businesses to sell their products and services beyond our borders – with the ultimate goal to grow revenue and strength at home.

In terms of new exporters, 30 clients reported export sales to an international market in 2019-2020 who did not sell outside of Canada in 2018-2019. Of the new exporters, 15 of the 30 are within the HPC. HPC clients also achieved significant growth in international export sales, reporting an 19.8% increase in 2019 compared to the previous year.



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In 2019-2020, NSBI worked to encourage employers to hire from under-represented populations, and to attach new graduates and new Nova Scotians to the workforce.

”

Diversification of Markets

In 2019-2020, we continued to support Nova Scotia businesses in their efforts to extend their export markets. Through diversified sales and expanded customers and markets, companies have been able to mitigate business risk and have continued to grow through exporting. In 2019-2020, 25.0% of our clients reported having diversified their export markets by increasing the number of countries they exported to –exceeding our 10% target.

Attracting Opportunities & Broadening Benefit

A key part of NSBI’s mandate involves attracting new, export-oriented companies whose growth will drive the creation of high value jobs for Nova Scotians. NSBI’s toolkit for attracting these companies and their correlated employment opportunities, includes the payroll rebate and our investment attraction team’s expertise through project management. When we look at the actual payroll growth of our payroll rebate clients, we see an increase of 21.6%. Overall, payroll generated by respondents of our full suite of programs and services, which includes Innovation Rebate Program and Film clients, saw an increase of 6.1%.

In 2019-2020, NSBI worked to encourage employers to hire from under-represented populations in order to ensure that more Nova Scotians benefit from our economic development efforts. In 2019-2020, NSBI attracted 15 payroll rebate clients, who committed to \$118.8 million in employment income. 25.2% of this committed payroll was dedicated to the hiring of Aboriginal and/or Indigenous persons, African Nova Scotians, persons with disabilities, veterans, LGBTQ, new graduates, new residents, and others currently under-represented in Nova Scotia’s workforce – exceeding our target of a 10% commitment.

Investments into Innovation & Productivity

The goal of NSBI’s Innovation Rebate Program is to drive private-sector capital investment aimed at increasing innovation or the adoption of new technologies or business processes. In 2019-2020, the IRP drove actual expenditures in private-sector capital investment of \$43.8 million surpassing the established target of \$22.5 million in private-sector capital investment.



Verschuren Centre, Sydney, Nova Scotia

Looking Ahead

As businesses work to recover from COVID-19, NSBI will continue to work alongside them.

Our efforts are focused on keeping our employees, clients, and communities safe while offering our experience, expertise, programs, and services to address businesses' needs. While the full impact of the COVID-19 pandemic is yet unknown, we have implemented multiple new programs, including two Business Continuity Voucher Programs and a Digital Adoption Program to increase the digital adoption by businesses across the province. As we move forward, we will monitor the progression of the pandemic, stay connected to clients, and work towards creative solutions that support the growth of trade and investment even in these uncertain times.



To ensure that Nova Scotia businesses are ready to compete in global markets in whatever way the future holds, NSBI will evolve programs and services to respond to the needs of businesses. The Innovation Rebate Program and the Productivity and Innovation Voucher Program remain key elements in our service offering to increase our clients' abilities to be globally competitive.

We understand the current challenges and have insight from our conversations and experiences in working with over 700 businesses across the province last year. Our new initiatives for 2020-2021 will support companies as they pivot and/or scale operations, maintain, and increase sales to succeed in this new normal.

There is an opportunity to rebuild a better Nova Scotia. One that is more inclusive, more innovative, more resilient and with businesses that are more globally competitive. The interventions, support, and programs put into place will be key to accelerating the recovery phase from COVID-19. At NSBI, we will contribute to this rebuilding through the growth, resilience, and adaptability of the businesses we work with on a daily basis. We will work to raise awareness of everything Nova Scotia has to offer, attract innovative new investment to the province in strategic sectors, encourage employers to hire from under-represented populations, and support Nova Scotia businesses on their innovation and export journeys – creating new partnerships to deepen R&D and innovation.

At the end of the day, we are prepared to do, and will do, what is necessary to help clients to successfully come out the other side of the COVID-19 pandemic. Nova Scotians and the businesses they run are strong and resilient, and we are confident that they will continue to achieve success on a global stage in the months and years ahead.

“

Nova Scotians and the businesses they run are strong and resilient, and we are confident that they will continue to achieve success.

”

Straight from our Clients

“

We have grown with you all at NSBI because of your faith in us.

7 VIRTUES BEAUTY

”

“

So thankful for your support. We could not do this without you.

HOPE BLOOMS

”

“

We're excited to be part of Halifax's growing tech sector, and we couldn't have seen such unprecedented growth and success without support from organizations like @NSBI. We're proud to call Nova Scotia home.

PROPOSIFY

”

“

Thanks @NSBI. The resources and partnership you provide to Ignite is changing the game for our rural entrepreneurs.

IGNITE ATLANTIC

”

Straight from our Clients

“

Thanks NSBI for an informative morning. Always great to be in #Membertou even better when you get to learn so much and make loads of new connections.

BRITTANY MASTROIANNI
DIVERSITY AND OUTREACH
SPECIALIST

”

“

The Scotians Global Advisor program has had a positive impact on our business and specifically for our market entry strategy.

JENNIE KING
ECOPILOT CANADA

”

“

Special thanks to the wonderful team @NSBI for all your help, time, expertise & support.

FLORIA AGHDAMIMEHR

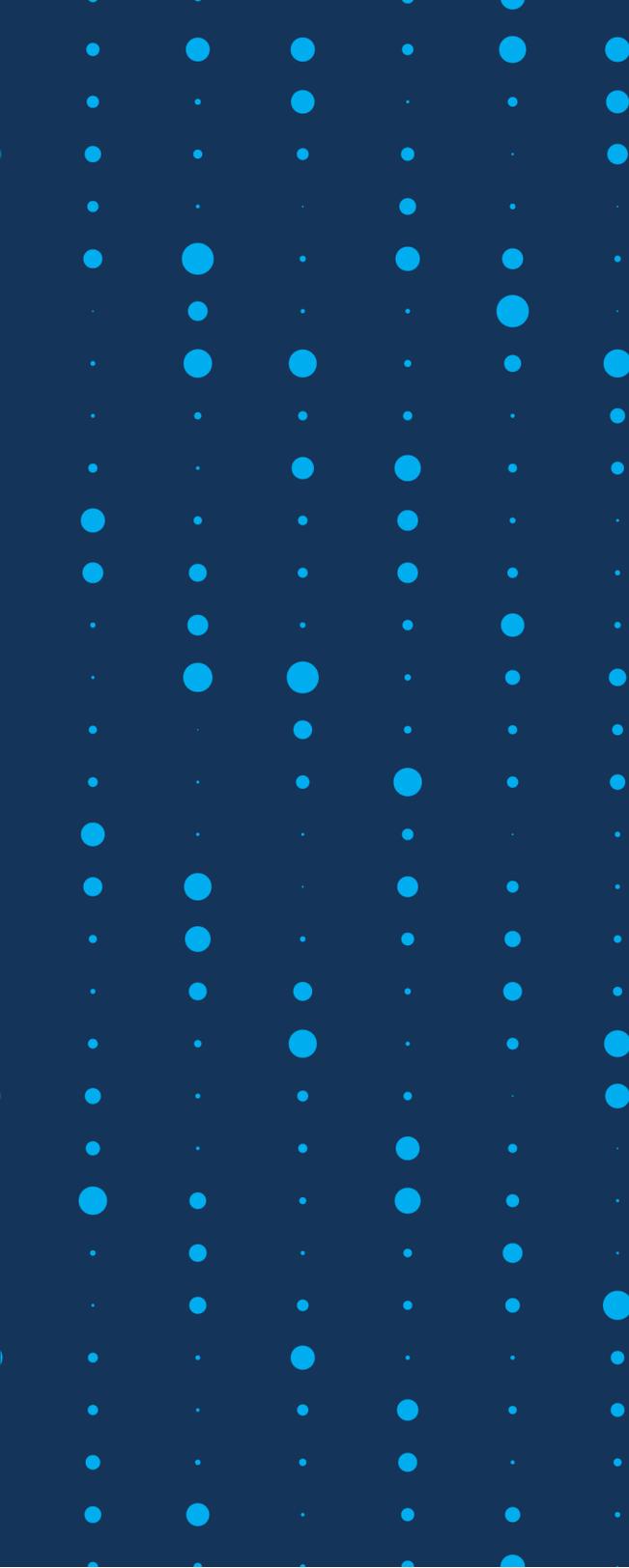
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We are very thankful to have received funding from @NSBI's Productivity and Innovation Voucher Program!

AROLYTICS

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Appendix A

Public Interest Disclosure of Wrongdoing Act

Public Interest Disclosure of Wrongdoing Act

The Public Interest Disclosure of Wrongdoing Act was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

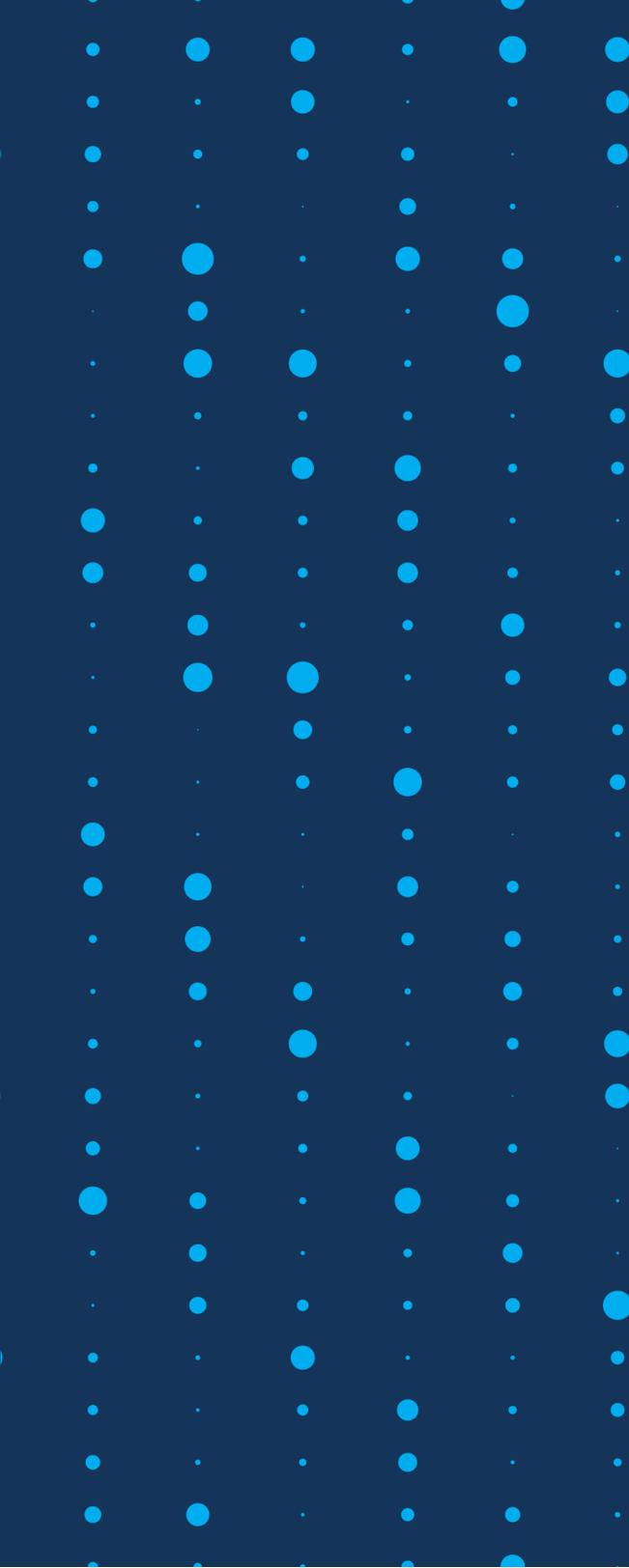
The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A Wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations
- b) a misuse or gross mismanagement of public funds or assets
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing

In Accordance with Section 11 of the NSBI Disclosure of Wrongdoing Policy, the following is NSBI's Disclosure of Wrongdoing: Fiscal 2019-2020 Annual Report:

Information Required under Section 18 of the Act	Fiscal Year 2019-2020
Number of disclosures received	0
Number of Investigations Commenced	0
Findings of Wrongdoing	0
Corrective Action Taken	Not applicable
Reason No Corrective Action Taken	Not applicable



Appendix B

Consolidated financial statements of Nova Scotia Business Incorporated

JUNE 2020

Consolidated financial statements of
Nova Scotia Business Incorporated

March 31, 2020

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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 financial statements on a semi-annual 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

Opinion

We have audited the consolidated financial statements of Nova Scotia Business Incorporated (the "Corporation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and changes in accumulated 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, 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 ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
June 25, 2020

Nova Scotia Business Incorporated

Consolidated statement of operations and changes in accumulated surplus

Year ended March 31, 2020

(In thousands of dollars)

	Notes	Budget (Unaudited) \$	2020 \$	2019 \$
Revenue				
Provincial				
Operating grant		28,176	26,482	21,739
Nova Scotia Film and Television				
Production grant		20,000	21,084	22,202
Strategic investment grant		18,610	12,448	13,781
Loan valuation allowance grant		1,000	1,000	1,000
Miscellaneous		—	757	374
Other		957	1,927	1,696
Interest on loans receivable		846	848	1,125
Federal		1,975	372	294
Nova Scotia Independent Production Fund ("NSIPF") revenue (Schedule 1)				
Recovery of FCINS equity investments and film production development loans	16 and 17	45	70	94
Investment income		—	23	—
Gain on sale of tangible capital assets		127	15	301
		71,736	65,389	62,943
Expenses				
Operating expenses (Schedule 2)		30,464	27,491	22,413
Nova Scotia Film and Television Production incentives				
		20,000	21,084	22,202
Strategic investments		18,610	12,448	13,781
Nova Scotia Business Fund: other expenses (Schedule 3)				
		838	929	556
Nova Scotia Independent Production Fund ("NSIPF") expenses (Schedule 1)				
Transfer payments to the Province of Nova Scotia	5	127	15	301
(Recovery of) Provision for credit losses and payment of guarantees	6	1,000	(750)	4,883
		71,039	61,580	64,473
Annual operating surplus (deficit)		697	3,809	(1,530)
Accumulated surplus, beginning of year		10,290	10,290	11,820
Accumulated surplus, end of year		10,987	14,099	10,290

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, 2020
(In thousands of dollars)

	Budget (Unaudited)	2020	2019
	\$	\$	\$
Annual operating surplus (deficit)	697	3,809	(1,530)
Change in tangible capital assets			
Amortization of tangible capital assets	36	36	212
Gain on sale of tangible capital assets	(127)	(15)	(301)
Proceeds from sale of tangible capital assets	—	15	301
Net change in tangible capital assets	(91)	36	212
Change in other non-financial assets			
Acquisitions of prepaid assets	—	(374)	(47)
Use of prepaid assets	—	47	31
Net change in other non-financial assets	—	(327)	(16)
Increase in net financial assets	606	3,518	(1,334)
Net financial assets, beginning of year	9,491	9,491	10,825
Net financial assets, end of year	10,097	13,009	9,491

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, 2020
(In thousands of dollars)

	Notes	2020 \$	2019 \$
Financial assets			
Cash and cash equivalents		37,834	24,620
Short-term investments	7	8,000	8,000
Accrued interest receivable		51	85
Other receivables		706	1,340
Receivables - NSIPF		26	25
Due from the Province of Nova Scotia	7	42,292	36,317
Loans receivable	3 and 6	11,229	17,587
Equity investments	4 and 6	350	350
		100,488	88,324
Liabilities			
Accounts payable and accrued liabilities	7	55,958	44,063
Accounts payable and accrued liabilities - NSIPF		10	8
Deferred revenue		171	406
Deferred revenue - NSIPF		312	333
Employee benefits and other liabilities	15	895	910
Due to shareholder	7	29,860	32,632
Film production assistance commitments payable		72	74
Film production assistance commitments payable - NSIPF		186	106
Transfer payments payable to the Province of Nova Scotia	5	15	301
		87,479	78,833
Net financial assets		13,009	9,491
Non-financial assets			
Tangible capital assets	5	716	752
Prepaid expenses		374	47
		1,090	799
Accumulated surplus			
	8	14,099	10,290
Contractual obligations	9		
Contingencies	10		
Subsequent events	20		

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

On behalf of the Board

_____, Director


_____, Director

Nova Scotia Business Incorporated
Consolidated statement of cash flows
Year ended March 31, 2020
(In thousands of dollars)

	2020	2019
Notes	\$	\$
Operating transactions		
Annual operating surplus (deficit)	3,809	(1,530)
Items not affecting cash and cash equivalents		
Amortization of tangible capital assets	36	212
Amortization of loan valuation allowance receivable	(1,000)	(1,000)
Allowance for credit losses and provision for payment of guarantees	(750)	4,884
Gain on sale of tangible capital assets	(15)	(301)
Changes in non-cash working capital	5,783	2,190
13	7,863	4,455
Capital transaction		
Proceeds from sale of tangible capital assets	15	301
	15	301
Investing transactions		
Loan advances	(40)	(27)
Proceeds on redemption of equity investments	—	210
Repayments received on loans receivable	7,148	2,766
	7,108	2,949
Financing transaction		
Principal repayments to the Province of Nova Scotia	(1,772)	(3,440)
	(1,772)	(3,440)
Increase in cash and cash equivalents	13,214	4,265
Cash and cash equivalents, beginning of year	24,620	20,355
Cash and cash equivalents, end of year	37,834	24,620

Supplementary cash flow information

13

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

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020

(In thousands of dollars)

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 drive economic momentum in Nova Scotia through attracting and expanding investment and developing businesses in all communities to be more successful exporters. 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 were assigned to and became assets and liabilities of 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 CRTC.

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

The consolidated financial statements reflect the assets, liabilities, revenues, expenses 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

All inter-departmental and inter-entity balances and transactions between the entities have been eliminated on consolidation.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020

(In thousands of dollars)

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 3 months or less at acquisition. All are measured at fair market value.

Short-term investments

Short-term investments includes investments in financial instruments, such as promissory notes, with a term to maturity of greater than 3 months at acquisition, but maturing within 365 days of year-end.

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 consolidated 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 consolidated 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 consolidated 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.

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

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

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method, with gains and losses recognized in the consolidated statement of operations in the period that the liability is derecognized.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020

(In thousands of dollars)

2. Summary of significant accounting policies (continued)

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.

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.

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.

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 consolidated statement of operations and are not reversed.

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. 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, 2020

(In thousands of dollars)

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 are recognized as revenue in the period the transfer is received but adjusted at year-end for any portion which does not meet the eligibility stipulations to be treated as revenue, which is booked as a payable to the Province for future reimbursement.
- (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 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.

Other revenue is recognized when earned and collection is reasonably assured.

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. 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. The remainder of the public service awards were paid out in the current year. Previously, upon retirement, qualifying employees were eligible for a public service award equal to one week's salary per year of service to a maximum of 26 weeks. Management used to recognize compensation expense on an accrual basis with actuarial assessments having been carried out every three years.

The Province extended a one-time payout in lieu of public service award on retirement to eligible non-union and management employees in 2018 and to unionized employees in the current fiscal year. Permanent employees of the Corporation participate in the Public Superannuation Fund (the "Plan"), a contributory defined benefit pension plan administered by the Province, 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.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020
(In thousands of dollars)

2. Summary of significant accounting policies (continued)

Employee future benefits (continued)

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 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 in conformity with PSAS 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 the amount of certain accrued liabilities. Actual results could differ materially from these estimates.

3. Loans receivable

	2020	2019
Note	\$	\$
Principal due	22,299	29,480
Allowance for credit losses	(11,070)	(11,893)
	11,229	17,587

Annual interest charged on these loans ranges from 0% to 10% (2019 - 0% to 10%). The maturity dates of the loans receivable are as follows:

	2020
	\$
Past due	4,738
Year ended March 31, 2021	629
Year ended March 31, 2022	7,491
Year ended March 31, 2023	—
Year ended March 31, 2024	452
Year ended March 31, 2025	4,302
Fully allowed for loans receivable	4,687
	22,299

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, 2020
(In thousands of dollars)

4. Equity investments

	Note	2020 \$	2019 \$
Common shares		11,156	11,156
Preferred shares		8,206	8,206
Allowance for credit losses	6	(19,012)	(19,012)
		350	350

Certain equity investments have conversion options and warrants attached.

5. Tangible capital assets

	Cost \$	Accumulated amortization \$	2020 Net book value \$	2019 Net book value \$
Land	82	—	82	82
Buildings	873	704	169	178
Wharves	1,752	1,317	435	458
Utilities	419	389	30	34
	3,126	2,410	716	752

Proceeds from the sale of tangible capital assets less closing costs are remitted to the Province in the form of transfer payments. In the current year, the transfer payments payable to the Province from the sale of tangible capital assets were \$15 (2019 - \$301).

6. Allowance for credit losses and payment of guarantees

	Notes	Gross balance outstanding \$	Specific allowance \$	General allowance \$	Total allowance \$	2020 Net balance outstanding \$
Loans receivable	3	22,299	10,497	573	11,070	11,229
Equity investments	4	19,362	19,012	—	19,012	350
		41,661	29,509	573	30,082	11,579

	Notes	Gross balance outstanding \$	Specific allowance \$	General allowance \$	Total allowance \$	2019 Net balance outstanding \$
Loans receivable	3	29,480	10,978	915	11,893	17,587
Equity investments	4	19,362	19,012	—	19,012	350
		48,842	29,990	915	30,905	17,937

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020
(In thousands of dollars)

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

During the year, investments in the amount of \$73 (2019 - \$7,673) were written off, including \$nil (2019- \$4,883) allowed for during the current year, and \$750 (2019 - \$nil) of previously allowed for investments were recovered, resulting in a net decrease in total allowance of \$823 (2019 - \$2,790).

7. Related party balances

Short-term investments

	2020	2019
	\$	\$
Province of Nova Scotia promissory note receivable, bearing interest at 1.65% per annum, maturing August 17, 2020.	7,600	—
Province of Nova Scotia promissory note receivable, bearing interest at 1.10% per annum, maturing March 5, 2021.	400	—
Province of Nova Scotia promissory note receivable, bearing interest at 1.65% per annum, maturing August 16, 2019.	—	7,600
Province of Nova Scotia promissory note receivable, bearing interest at 1.10% per annum, maturing March 5, 2020.	—	400
	8,000	8,000

Due from the Province of Nova Scotia

The balance due from the Province is non-interest bearing with no set terms of repayment.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes \$1,645 (2019 - \$nil) of unused operating grant revenue payable to the Province.

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. The Corporation plans to repay the shareholder loan based on the schedule outlined in note 11. 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.

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 included in accumulated surplus on the consolidated statement of financial position.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020
(In thousands of dollars)

9. Contractual obligations

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 in the form of a Strategic Investment Grant.

As at March 31, 2020, transactions were approved with maximum annual payments over the next seven years of \$85,664 (2019 - maximum annual payments over the next six years of \$92,321) as shown below:

	\$
2021	24,559
2022	17,150
2023	16,218
2024	13,997
2025	9,109
2026	3,443
2027	<u>1,188</u>
Total	<u>85,664</u>

The Corporation is the administrator of the Nova Scotia Film and Television Production Incentive Fund ("NSFPPIF") 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 in the form of an NSFPPIF grant. Eligible corporations that have a permanent establishment in Nova Scotia will be able to apply to the NSFPPIF to receive support on the completion date of the targeted production based on the following funding streams:

- Base funding of 26% of all eligible Nova Scotia costs for indigenous/co-productions; or
- 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, 2020, commitments in the amounts of \$15,565 were recognized based on Incentive Agreements over the next year (2019 - commitments in the amount of \$10,454 were recognized based on Letters of Intent over the next two years).

10. Contingencies

Litigation

The Corporation is co-defendant with the Province 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.

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.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020

(In thousands of dollars)

11. Financial instruments

Fair value

Fair value estimates are made as of a specific point in time, using available information about the financial instruments and current market conditions.

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.

Financial risk factors

Risk management relates to the understanding and active management of risks associated with all areas of the Corporation's business and the associated operating environment. The Corporation is primarily exposed to credit, interest rate, market price and liquidity risk, arising from its financial assets and liabilities.

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 performance, 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 \$15,000 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 and approved in fiscal 2011, currently has an outstanding balance of \$6,911 (2019 - \$7,410) 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, as the loans receivable bear interest at fixed rates of interest and the balances due from and to the Province are non-interest bearing or bear interest at fixed rates.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020
(In thousands of dollars)

11. Financial instruments (continued)

Financial risk factors (continued)

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. The Corporation's exposure to market price risk is limited, as it does not presently hold investments quoted in an active market; however, the fair value of investments in equity instruments of private enterprises carried at cost could fluctuate based on changes in the fair value of similar equity instruments traded in an active market.

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. 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, 2020:

	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	2020 Total	2019 Total
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	55,958	—	—	—	55,958	44,063
Accounts payable and accrued liabilities - NSIPF	10	—	—	—	10	8
Employee benefits and other liabilities	725	170	—	—	895	910
Transfer payments payable to the Province	15	—	—	—	15	301
Due to shareholder	4,302	9,174	5,000	11,384	29,860	32,632
Film production assistance commitments payable	72	—	—	—	72	74
Film production assistance commitments payable - NSIPF	186	—	—	—	186	106
Transfer payments payable to the Province	15	—	—	—	15	301
	61,283	9,344	5,000	11,384	87,011	78,395

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, 2020:

Nova Scotia Business Incorporated
Notes to the consolidated financial statements
March 31, 2020
(In thousands of dollars)

12. Nova Scotia Business Fund (continued)

	NSBI portfolio		NSBDC portfolio		2020	2019
	Less allowance for credit losses		Less allowance for credit losses		Net total	Net total
Notes	Gross	losses	Gross	losses		
	\$	\$	\$	\$	\$	\$
Assets						
Loans receivable	17,656	6,717	4,643	4,353	11,229	17,587
Equity investments	19,362	19,012	—	—	350	350
Tangible capital assets	—	—	716	—	716	752
	37,018	25,729	5,359	4,353	12,295	18,689
Funding authorized and committed:					2020	2019
					\$	\$
Fund balance authorized, net of write-offs					181,668	181,741
Less: uncommitted balance of fund					139,291	132,147
Committed fund balance					42,377	49,594
Less: allowance for credit losses and provision for payment of guarantees ⁶					30,082	30,905
					12,295	18,689

13. Supplementary cash flow information

Changes in non-cash working capital

	2020	2019
	\$	\$
Accrued interest receivable	34	5
Other receivables	634	(586)
Receivables – NSIPF	(1)	(23)
Due from the Province of Nova Scotia	(5,975)	(28)
Accounts payable and accrued liabilities	11,895	3,719
Accounts payable and accrued liabilities - NSIPF	2	—
Deferred revenue	(235)	9
Deferred revenue – NSIPF	(21)	60
Employee benefits and other liabilities	(15)	(419)
Film production assistance commitments payable – operating	(2)	(59)
Film production assistance commitments payable – NSIPF	80	(437)
Transfer payments payable to the Province of Nova Scotia	(286)	(35)
Prepaid expenses	(327)	(16)
	5,783	2,190

Interest income

During the year, cash received for interest income was \$882 (2019 – \$1,130).

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020
(In thousands of dollars)

13. Supplementary cash flow information (continued)

Non-cash transactions

	2020	2019
	\$	\$
Non-cash investing transactions		
Conversion of working capital to loan	—	500

14. Related party transactions

During the year, there were no companies (2019 - no companies) controlled or otherwise not independent of the Corporation eligible for incentives offered by the Corporation. As at March 31, the total amount outstanding to companies that were controlled by, or otherwise not independent of, certain directors of the Corporation was \$12,495 (2019 - \$12,495) for financial assistance. All these investments have specific allowances recorded against them totaling \$12,495 (2019 - \$12,495). Furthermore, there were no incentives issued under this category in the current year (2019 - \$nil).

The Corporation receives legal services free of charge from the Province. Management estimates the annual cost of these services would be approximately \$324 (2019 - \$322).

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

15. Employee benefits and other liabilities

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

	2020	2019
	\$	\$
Public service awards and service payouts	—	299
Vacation pay	264	250
Other payroll accruals	631	361
	895	910

Public service awards and service payouts

The Province extended a one-time payout in lieu of public service award on retirement to eligible non-union and management employees in 2018 and to unionized employees in the current fiscal year. 95% of the Corporation's eligible employees elected for the offer in 2018 in the amount of \$412, while 100% of the Corporation's eligible employees elected for the offer in the current year in the amount of \$256.

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 based on the employees' length of service and earnings. The plan is funded by the employee and the employer's contributions. The employer's contributions for 2020 were \$701 (2019 - \$655) and are recognized as an operating expense in the year.

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 \$15 in recovery of film production development loans (2019 - \$nil). As at March 31, 2020, \$7 (2019 - \$7) remains undisbursed and is included in commitments payable. There were no film production development loans disbursed, assumed and originated at year-end (2019 - \$nil).

17. 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 \$55 (2019 - \$93) in recovery of equity investments resulting in a cumulative recoupment, assumed and originated, as at March 31, 2020, of \$4,675 (2019 - \$4,620). Also as at March 31, 2020, \$65 (2019 - \$67) remains undisbursed and is included in commitments payable. Total film production equity investments disbursed, assumed and originated, at year end were \$46,909 (2019 - \$46,907).

18. 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 NSIPF are externally restricted and included on the consolidated statement of financial position in cash and cash equivalents and are deferred until committed.

During the year, the Corporation, through its subsidiary, NSIPF, received \$290 (2019 - \$329) from the funding partner to invest in qualifying projects, and \$18 (2019 - \$61) in recovery of equity investments. The cumulative total of equity investments made by the IPF, assumed and originated, as at March 31, 2020 is \$5,619 (2019 - \$5,264). As at March 31, 2020, \$198 (2019 - \$180) was recouped and \$186 (2019 - \$106) remains undisbursed and is booked as a commitments payable.

19. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2020

(In thousands of dollars)

20. Subsequent events

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that were put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of Nova Scotia on March 22, 2020. As of the date of issuing the consolidated financial statements, the ongoing duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact that the length and severity of these development will have on the financial results and condition of the Corporation in future fiscal years. This includes the Corporation being unable to reliably estimate the financial impact of COVID-19 on its debtors in respect of loans receivable and the resulting collectability of the loans receivable in future fiscal years.

Nova Scotia Business Incorporated
Schedule 1 – Schedule of the Nova Scotia Independent Production Fund
("NSIPF") revenues and expenses
Year ended March 31, 2020
(In thousands of dollars)

		2020	2019
	Notes	\$	\$
Revenue			
Eastlink contributions	18	337	268
Recovery of equity investments	18	18	61
Interest income		8	8
		363	337
Expenses			
Equity investments		356	330
Administrative expenses		7	7
		363	337

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, 2020
(In thousands of dollars)

	Notes	Budget (Unaudited)	2020	2019
		\$	\$	\$
Business development		19,183	16,002	11,715
Salaries and benefits	15	9,007	9,403	8,439
Office		836	874	942
Travel		758	576	629
Telecommunications and technical support		488	427	536
Other		159	149	108
Legal and audit	14	34	60	44
		30,465	27,491	22,413

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, 2020
(In thousands of dollars)

	Budget (Unaudited)	2020	2019
	\$	\$	\$
Repairs, maintenance, salaries and other	752	887	343
Amortization of tangible capital assets	36	36	212
Legal	50	6	—
Recovery of commissions and other fees	1	—	1
	839	929	556

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