ANNUAL REPORT
2023-2024

Invest NOVA SCOTIA

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Accountability Statement

The Accountability Report of Invest Nova Scotia for the year ended March 31, 2024, is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against Invest Nova Scotia's Business Plan for the fiscal year just ended. The reporting of Invest Nova Scotia's outcomes necessarily includes estimates, judgements, and opinions by Invest Nova Scotia's management. We acknowledge that this Accountability Report is the responsibility of Invest Nova Scotia's management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in Invest Nova Scotia's 2023-2024 Business Plan.

The Honourable Susan Corkum-Greek
Minister of Economic Development

Peter MacAskill
President and CEO, Invest Nova Scotia

Message from the Minister of Economic Development & Invest Nova Scotia President and CEO

Shared Vision for Growing Nova Scotia's Economy

Minister of Economic Development:

As Minister, I am privileged to lead a department that is focused on what's ahead for Nova Scotians and their economy. I am also responsible for Invest Nova Scotia, our business development agency that works directly with businesses enabling business growth, innovation, and entrepreneurship.

Together, the Department and Invest Nova Scotia are promoting economic growth and community economic development across our province. Therefore, it is our pleasure to present the 2023-24 annual report for Invest Nova Scotia, which highlights efforts to overcome challenges and fostering a shared vision for growing Nova Scotia's economy.

We are at a pivotal moment. Nova Scotia is experiencing meaningful change and growth. Our strategic focus is on four areas: growing strategic sectors; increasing productivity across all sectors; investing in innovation and entrepreneurship; and ensuring growth and prosperity for all communities. It is vital that we shape a better economic structure for all Nova Scotians, now and for generations ahead.

The Honourable Susan Corkum-Greek
Minister of Economic Development

President and CEO of Invest Nova Scotia:

Invest Nova Scotia employees support and provide advice to businesses at all stages. Specifically, we fund and incubate innovative start-ups aiming to commercialize technology, we assist companies entering new markets, scaling their exports, and we collaborate with global companies to expand operations in Nova Scotia.

Why? Because business growth is a critical part of Nova Scotia's growth and a better life for Nova Scotians.

In the 2023-2024 fiscal year, results from our work with businesses show momentum in several key areas on the ground in our province, as well as the work still to do to help our companies expand their efforts in markets beyond Nova Scotia. In this report, you will see the following:

- During the fiscal year, 26 companies across Nova Scotia undertook projects to increase their productivity, efficiency, and reduce emissions or waste. Supported with Innovation Rebate Program agreements, the 26 companies anticipate spending $90.5 million in new capital upgrades ($90,557,999.40) and are eligible for up to $21.8 million ($21,828,603.25) in rebates.
- Eight client companies successfully raised angel investment, and we added 127 early-stage opportunities to our start-up client pipeline, though, we want to see higher volume in our pipeline.
- Invest Nova Scotia attracted 15 innovative exporters to establish or relocate in Nova Scotia, exceeding our target of 5. Of these, 9 signed payroll rebate agreements with Invest Nova Scotia with plans to create up to 1,490 full-time equivalent positions over the coming years.
- We helped companies become exporters for the first time. Other companies entered into new markets with our help. Clients reported exports increased in value by 2.0%, with some specific clusters, such as ICT, ocean technology, and seafood & agri-food, seeing an increase of 5.3%. There is room for stronger export sales as we look to support companies' growth into the future.
- In 2023-2024, Invest Nova Scotia's clients reported increasing their payroll by **17.4 %**.

Sincerely,

Peter MacAskill
President and CEO, Invest Nova Scotia

Fulfilling the Mandate

In December 2022, Invest Nova Scotia was created to be at the ground level helping companies in communities across the province invest in their people; innovate new and better products and services; boost productivity; and attract investment and companies to locate their business in Nova Scotia.

The corporation's mandate is to support companies throughout their lifecycle from starting up and raising capital, to supporting early-stage growth through incubation and acceleration, expanding market opportunities through export development, and helping businesses locate to Nova Scotia through investment attraction. By investing in Nova Scotia's innovation ecosystem, increasing productivity among our businesses, growing our strategic sectors, and a renewed approach to supporting small and medium sized businesses in all areas of the province, Invest Nova Scotia contributed to economic prosperity while advancing government's mandate to create more and better jobs. The following outlines targets and measures that contribute to achieving these goals.

2023-2024 Results Against Target Measures

Venture Capital

Target
$70 million raised by portfolio companies.

Outcome
Exceeded with **$163.5 million** raised.

Target
Total value to paid-in capital (TVPI) ratio of 3.0.[1]

Outcome
TVPI of 2.8.

Incubation Facilities

Target
85% occupancy rate at The Labs and The Bays, with a targeted 50% occupancy rate of companies that are venture-grade.

Outcomes
- Achieved **97.7%** occupancy rate at facilities.
- **64.3%** occupancy rate of venture-grade companies.

[1] TVPI is an important measure for assessing ability to deliver financial results compared to the cost of the investments. A TVPI of >1 means the value of the investments plus distributions exceed the combined cost of the investments.

Acceleration Programs and Services

Target
250 new early-stage opportunities in Invest Nova Scotia's start-up client pipeline.

Outcome
127 new early-stage opportunities in the client pipeline.

Target
10 client companies raise angel investment.

Outcome
8 client companies that raised an initial round of financing.

Export and Investment

Target
Through client-reported data provided to Invest Nova Scotia, achieve a minimum 15% increase in client export sales overall and within the high potential clusters of ICT, ocean technology, and seafood & agri-food.

Outcomes
- Client reported value of exports (all) from Nova Scotia increased **2.0%***. [2]
- Client reported value of exports (high potential clusters of ICT, ocean technology, and seafood & agri-food) from Nova Scotia increased **5.3%**.

Target
A minimum of 30 clients will become new exporters, with a minimum of 10 clients within the high potential clusters of Information and Communications Technology, Oceans, and Seafood & Agri-food becoming new exporters.

Outcomes
- **34** clients became new exporters.
- **11** clients within the high potential clusters became new exporters.

Target
A minimum of 20% of clients diversify exports through sales to an additional market.

Outcome
20.7% of clients exported to an additional market in fiscal 2023-2024.

Target
A minimum of 5 innovative exporters establish or relocate in Nova Scotia.

Outcome
15 innovative, sustainable and green businesses established or relocated to the province in fiscal 2023-2024.

Target
Invest Nova Scotia's clients increase their payroll by a minimum of 10%.

Outcome
Clients increased their payroll by **17.4 %**.

[2] High inflation, tight monetary policies, rising cost-of-living, ongoing effects from Russia's invasion of Ukraine affected exporters. See Analysis/Discussion section for more.

2023-2024 Analysis/Discussion for Invest Nova Scotia

During the reporting period, Invest Nova Scotia's programs, services, and business development efforts remained steadfast in aiding Nova Scotia businesses to overcome barriers to growth, drive innovation, boost productivity, and expand market reach beyond provincial boundaries.

In calendar year 2023, companies encountered a landscape marked by increased geopolitical risks and shifting trade patterns. These factors, including high inflation, tight monetary policies, rising cost-of-living, ongoing effects from Russia's invasion of Ukraine, and the post-pandemic economic adjustment, impacted businesses differently based on their sector and geographical focus.

Overall, Canada's total international goods exports fell by 1.6 per cent in the 2023 calendar year. For the same period, Nova Scotia's international goods exports are estimated to have fallen by 0.7 per cent. Seafood exports fell lower on lobster, crab and shrimp, only partially offset by increased exports of scallops and halibut. The province's exports were up for tires, but down for forestry products and frozen blueberries. Regarding our trading markets, Nova Scotia's exports to the United States (+1.0 per cent) and China (+5.7 per cent) increased, while exports to the European Union were down 22.3 per cent. Shipments to China remain below pre-pandemic levels due to the drop of wood pulp exported to that market and other goods exports not filling the gap.

Nova Scotia's goods exports are projected to recover in calendar year 2025 as global conditions improve. [3]

[3] https://beta.novascotia.ca/sites/default/files/documents/6-460/ftb-bfi-020-en-budget-2024-2025.pdf

Measures to advance Accessibility Initiatives

Through the fiscal year, the Crown corporations that report into the Department of Economic Development continued to join forces through a Crown Accessibility Advisory Committee, including Crown corporation employees as well as volunteers with lived experience within the disability community.

From that collaborative work, Invest Nova Scotia developed an accessibility plan to establish a vision and commitment for accessibility in all business offerings, including programs, services, employment, and physical spaces provided by Invest Nova Scotia, and to inform the development of future accessibility plans and actions. Invest Nova Scotia's three-year accessibility plan came into effect beginning in 2023-2024.

To read Invest Nova Scotia's Accessibility Plan, visit **investnovascotia.ca/accessibilityplan**

APPENDIX A

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 Labour 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

Information required under Section 18 of the Act	Fiscal Year 2023-2024
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

Audited Financial Statements and Notes

(includes Independent Auditor's Report)

Consolidated financial statements of
Invest Nova Scotia

March 31, 2024

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.

Those Charged with Governance are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. They review external audited consolidated financial statements yearly and delegated the CEO to review the internal financial statements during the course of the year.

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 Invest Nova Scotia and meet with them when required.

On behalf of Invest Nova Scotia

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Peter MacAskill
CEO

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Ferdinand Makani
Controller

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Independent Auditor's Report

To the Minister, Department of Economic Development for
Invest Nova Scotia

Opinion

We have audited the consolidated financial statements of Invest Nova Scotia (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2024 and the consolidated statements of operations and changes in accumulated surplus, changes in net financial assets, cash flows and remeasurement (loss) gain for the year ended March 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies (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 Organization as at March 31, 2024, and the results of its operations, its remeasurement gains and losses, changes in its net debt, and its cash flows for the year period 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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
July 11, 2024
Halifax, Nova Scotia

Invest Nova Scotia

Consolidated statement of operations and changes in accumulated surplus

Year ended March 31, 2024

(In thousands of dollars)

	Notes	Budget $ (Unaudited)	2024 $	2023 $
Revenue				
Provincial				
Operating grant		**38,451**	**37,842**	22,150
Strategic investment grant		**17,810**	**10,916**	9,671
Miscellaneous		**30**	**53**	96
Other		**1,418**	**3,217**	785
Ordinary recoveries		**1,450**	**1,636**	632
Federal grant		**487**	**705**	359
Investment income		**2**	**567**	144
Nova Scotia Independent Production Fund ("NSIPF") revenue (Schedule 1)		**—**	**405**	7
Interest on loans receivable		**193**	**185**	74
		59,841	**55,526**	33,918
Expenses				
Operating expenses (Schedule 2)		**41,457**	**40,931**	23,910
Strategic investments		**17,810**	**10,916**	9,671
Nova Scotia Fund (Schedule 3)		**904**	**2,625**	165
Nova Scotia Independent Production Fund ("NSIPF") expenses (Schedule 1)		**—**	**405**	7
		60,171	**54,877**	33,753
Operating surplus		**(330)**	**649**	165
Net assets transferred upon amalgamation	1	**—**	**—**	105,790
Realized gains on portfolio investments		**—**	**1,588**	1
Statutory capital contributions		**11,000**	**7,391**	3,394
Capital grant		**146**	**387**	49
Provision for impairment of portfolio investments and loans receivables		**(600)**	**(4,198)**	(2,568)
Transfer payments to the Province of Nova Scotia	5 and 7	**—**	**—**	(8,000)
		10,546	**5,168**	98,666
Surplus		**10,216**	**5,817**	98,833
Accumulated surplus, beginning balance		**98,831**	**98,833**	—
Accumulated surplus, end of year		**109,047**	**104,650**	98,833

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

Invest Nova Scotia

Consolidated statement of changes in net financial assets

Year ended March 31, 2024

(In thousands of dollars)

	Budget $ (Unaudited)	2024 $	2023 $
Operating surplus	(330)	5,817	98,833
Net remeasurement (loss) gain	—	(391)	703
	(330)	5,426	99,536
Change in tangible capital assets			
Transfer-in / acquisition of tangible capital assets	—	(329)	(5,443)
Amortization of tangible capital assets	525	382	130
Disposal of property and equipment at net carrying value	—	301	—
Net change in tangible capital assets	525	354	(5,313)
Change in other non-financial assets			
Decrease (increase) of prepaid assets	—	55	(491)
Net change in other non-financial assets	—	55	(491)
Increase in net financial assets	195	5,835	93,736
Net financial assets, opening balance	93,736	93,736	—
Net financial assets, end of year	93,931	99,571	93,736

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

Invest Nova Scotia
Consolidated statement of financial position
As at March 31, 2024
(In thousands of dollars)

	Notes	2024 $	2023 $
Financial assets			
Cash and cash equivalents		**24,815**	29,037
Restricted cash and cash equivalents		**5,825**	3,847
Interest receivable		**73**	87
Other receivables		**1,605**	536
Receivables – NSIPF		**38**	2
Due from the Province of Nova Scotia	7	**8,322**	18,634
Loans receivable	3, 6 and 11	**4,167**	7,710
Portfolio investments	4, 6 and 11	**79,046**	77,081
		123,891	136,934
Liabilities			
Accounts payable and accrued liabilities	7 and 11	**17,172**	36,135
Accounts payable and accrued liabilities – NSIPF		**10**	9
Asset Retirement Obiligation Liability		**246**	—
Deferred revenue		**509**	692
Deferred revenue – NSIPF		**560**	789
Deferred capital contributions	16	**1,407**	1,554
Lease inducement liability		**10**	30
Employee benefits and other liabilities	15	**4,244**	3,937
Film production assistance commitments payable - NSIPF	17	**162**	52
		24,320	43,198
Net financial assets		**99,571**	93,736
Non-financial assets			
Tangible capital assets	5	**4,959**	5,313
Prepaid expenses		**432**	487
		5,391	5,800
Accumulated surplus	8	**104,962**	99,536
Contractual obligations	9		
Contingencies	10		
Accumulated surplus is comprised of			
Accumulated operating surplus		**104,650**	98,833
Accumulated remeasurement gain		**312**	703
		104,962	99,536

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

On behalf of the Province of Nova Scotia

______________________, Minister

Invest Nova Scotia
Consolidated statement of cash flows
Year ended March 31, 2024
(In thousands of dollars)

	Notes	2024 $	2023 $
Operating transactions			
Surplus		**5,817**	98,833
Items not affecting cash and cash equivalents			
Amortization of tangible capital assets		**382**	160
Net assets on restructuring		**—**	(105,790)
Allowance for credit losses		**4,223**	2,568
Deferred capital contributions recognized		**(147)**	(49)
Nova Scotia First Fund income		**304**	(24)
Landlord lease inducements amortized		**(20)**	(7)
Disposal of property and equipment at net carrying value		**301**	—
Changes in non-cash working capital	13	**(9,437)**	(1,072)
		1,423	(5,381)
Capital transaction			
Acquisitions of tangible capital assets		**(329)**	—
Investing transactions			
Loan advances		**—**	(1,135)
Portfolio investments		**(10,312)**	(9,813)
Proceeds on sale or redemption of portfolio investments		**4,765**	814
Principal received on loans		**2,209**	680
		(3,338)	(9,454)
Financing transaction			
Government transfer	5 and 7	**—**	8,000
Increase in cash and cash equivalents		**(2,244)**	(6,835)
Cash and cash equivalents, beginning balance		**32,884**	39,720
Cash from amalagmation		**—**	—
Cash and cash equivalents, end of year		**30,640**	32,885
Cash and cash equivalents consists of			
Cash		**24,815**	29,037
Restricted cash			
Cash		**834**	987
Cash equivalents		**4,991**	2,860
		30,640	32,884

Supplementary cash flow information 13

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

Invest Nova Scotia

Consolidated statement of remeasurement (loss) gain

Year ended March 31, 2024

(In thousands of dollars)

	2024 $	2023 $
Accumulated remeasurement gains, beginning of year	**703**	—
Remeasurement gain arising during the year		
Remeasurement (loss) gain on equity investments quoted in an active market	**(929)**	707
Amounts reclassified to the statement of operations		
Realized gain (loss) on equity investments quoted in an active market	**538**	(4)
Net remeasurement (loss) gain	**(391)**	703
Accumulated remeasurement gains, end of year	**312**	703

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

(In thousands of dollars)

1. Business overview

Nova Scotia Business Incorporated ("NSBI") and Nova Scotia Innovation Corporation ("Innovacorp") (collectively "former Corporations") were amalgamated and continued as a body corporate known as Invest Nova Scotia, (the "Corporation") in pursuant of the Invest Nova Scotia Act, Chapter 37 of the Acts of 2022 ("Act") passed by the Province of Nova Scotia on December 1, 2022. Pursuant to this Act, all shares of the former corporations were cancelled and all their matters, affairs, actions, assets including rights, titles and interests, obligations and liabilities including employee benefits and entitlements were assigned to the Corporation. Also, all employees of the former corporations were transferred to the Corporation. The Corporation is wholly-owned by the Province of Nova Scotia and its management and control of affairs are vested in the Minister of Economic Development (the "Minister").

The carrying amount of assets and liabilities transferred and received on December 1, 2022 are as follows:

	$
Financial assets	
Cash and cash equivalents	39,777
Investments	8,000
Receivables	847
Due from the Province of Nova Scotia	9,524
Loans receivable	8,199
Portfolio investments	68,989
	135,336
Liabilities	
Accounts payable and accrued liabilities	29,567
Deferred revenue	2,905
Lease inducement liability	37
Employee benefits and other liabilities	2,707
Film production assistance commitments payable	363
	35,579
Non-financial assets	
Tangible capital assets	5,473
Prepaid expenses	560
	105,790

The net surplus of $105,790 from the former Corporations was recognized as revenue in the statement of operations.

The Corporation's mission is to promote economic growth and community economic development in the Province by enabling business, innovation and entrepreneurship. The Corporation is not subject to provincial or federal taxes.

On December 1, 2022, Nova Scotia Independent Production Fund ("NSIPF") became a subsidiary of Invest Nova Scotia under the Invest Nova Scotia Act, Chapter 37 of the Acts of 2022 coming into force.

NSIPF's purpose continues as an Independent Production Fund, 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. Assets are carried at the lower of cost and net recoverable value except that certain financial instruments are carried at fair market value. Liabilities and financial obligations to outside organizations are recorded at the estimated amount ultimately payable.

Both financial and non-financial assets are reported on the consolidated statement of financial position. Non-financial assets are used to provide services in future periods and are charged to expense through amortization or upon utilization. These assets do not normally provide resources to discharge the liabilities of Invest Nova Scotia unless they are sold. As a result, non-financial assets are not taken into consideration when determining the net financial assets of Invest Nova Scotia, but rather are added to the net financial assets to determine the accumulated surplus.

Reporting entity

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

- Invest Nova Scotia
- Nova Scotia Independent Production Fund
- 1402998 Nova Scotia Limited
- 3087532 Nova Scotia Limited

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

Cash and cash equivalents

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

Restricted cash and cash equivalents

Restricted cash and cash equivalents include funds held in the Nova Scotia First Fund ("NSFF") for future investments and Nova Scotia Independent Production Fund for future film production incentives. The restricted cash equivalents comprise short-term investment with a term to maturity of three months or less at the date of acquisition.

Accounts receivable

Receivables are measured at amortized cost using the effective interest method. A valuation allowance is used to reduce the recorded value to the lower of its cost or net recoverable value.

2. Summary of significant accounting policies (continued)

Loans receivable

Loans receivable include promissory notes and convertible debentures which are carried at cost (including conversion features), with cost being equal to the fair value of the assets given up or liabilities assumed, with the exception of significantly concessionary notes and debentures which are carried at the discounted value of the note or debenture after the grant portion has been charged to the consolidated statement of operations.

For significantly concessionary loans, subsequent to the initial measurement, the loans are carried at amortized cost using the effective interest method. 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 against Nova Scotia Fund (“NSF”) receivable is recorded to reflect anticipated future losses for all loans receivable which do not have a specific allowance. A general allowance was recorded on loans receivable with a net carrying value of $3,934 ($5,870 in 2023) in Note 3.

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

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

Portfolio investments

Portfolio investments include:

(a) Investments which are publicly held and quoted in an active market

Portfolio investments which are publicly held and quoted in an active market are carried at fair value. Unrealized gains and losses are reported in the consolidated statement of remeasurement gains and losses until they are realized or impaired, at which time the cumulative gain or loss is transferred to the consolidated statement of operations.

(b) Investments in equity instruments of early stage private enterprises

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 sold. When the terms associated with a particular investment are so concessionary that the substance of the transaction is that all or a significant part of the investment is in the nature of a grant, the investment is carried at its discounted value after the grant portion of the transaction has been charged to the consolidated statement of operations.

(c) Investments in equity instruments of later stage private enterprises

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.

2. Summary of significant accounting policies (continued)

Portfolio investments (continued)

(c) Investments in equity instruments of later stage private enterprises (continued)

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 against NSF portfolio investments to reflect anticipated future losses for all investments in private enterprises receivable which do not have a specific allowance. A general allowance was recorded on NSF portfolio investments with a net carrying value of nil (nil in 2023) in Note 4.

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

The non-publicly traded investments and loans receivables are reviewed twice yearly for the NSF and annually for the NSFF, for potential declines in value. The fair market values for publicly traded investments for the NSFF and Restricted Endowment Fund ("REF") are determined on monthly basis.

Fair value

Fair value is the estimated amount for which a financial instrument could be exchanged between willing parties, based on the current market for instruments with the same risk, principal and remaining maturity. Certain fair value estimates are significantly affected by assumptions for the amount and timing of estimated cash flows and discount rates, all of which reflect varying degrees of risk. As a result, the fair values may not necessarily be indicative of the amounts that would be realized if these instruments were actually settled. The methods and assumptions used to estimate the fair value of financial instruments are described in the following paragraphs.

The fair values of investments in securities which are publicly held and quoted in an active market are based on quoted closing prices. The fair values of impaired investments for which there is no quoted market value are determined based on values indicated by transactions in the financial instruments of the investee. Where transactions in the financial instruments of the investee are not available, other factors, such as milestone progress, are considered in determining fair value.

Due to the short period to maturity, the fair value of cash, accounts receivable, and payables and accruals approximate their carrying values as presented in the consolidated statement of financial position.

Financial liabilities

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

Non-financial assets

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

2. Summary of significant accounting policies (continued)

Tangible capital assets

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

Buildings	Declining balance	5%
Computer equipment	Declining balance	3 years
Computer hardware	Declining balance	50%
Computer software	Declining balance	50%
Equipment	Declining balance	20%
Furniture, equipment & technology	Declining balance	12-20%
Information technology	Straight line	3-20 years
Land improvements	Declining balance	5%
Leasehold improvements	Straight line	Terms of lease
Utilities	Declining balance	15%
Wharves	Declining balance	5%

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 the future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for the expenses in the consolidated statement of operations and are not reversed.

Leases

The Corporation accounts for the lease of its premises as an operating expense, as substantially all the risks of benefits and risk of ownership have been retained by the lessor. Payments made under operating leases are charges to the consolidated statement of operations on a straight line basis over the term of the lease.

The aggregate benefit on incentives received from the lessor are initially recorded as a lease inducement liability and subsequently recognized as a reduction of expense over the term of the lease, on a straight line basis (unless another systematic method is more appropriate).

2. Summary of significant accounting policies (continued)

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 any funds transfers pursuant to Section 12(1) of the Invest Nova Scotia Act and to the Province of Nova Scotia. In accordance with PS 3410, government transfers do not include flow-through arrangements where a government agrees to act merely as an intermediary to administer funds on behalf of another party and has no ability to make decisions regarding the use of the funds.

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

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 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 and procedures set out in the Corporation's business plan.

(c) Advances of statutory capital by the Province of Nova Scotia to finance investments are recognized at the later of the date that the funds are received and the date an eligible investment is made.

(d) 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.

Incubation revenue is recognized as earned and collection reasonably assured and includes monthly rent and recoveries from tenants for utilities, photocopies, and other administration services. As it pertains to rent, the Corporation has retained substantially all the benefits and risks of ownership of the properties; therefore, it accounts for these leases as operating expenses.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Investment revenue includes dividends, and capital gains and losses, as well as interest on cash balances, fixed income securities, and loans receivable, including amortization of premiums or discounts arising upon initial recognition in accordance with the effective interest method.

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

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at year end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Adjustments to monetary assets and liabilities arising as a result of a change in the exchange rate from the original transaction date to settlement are credited or charged to operations at the time the adjustments arise.

Employee future benefits

Invest Nova Scotia provides certain employee benefits which will require funding in future periods. These benefits include vacation pay and retirement health benefits care plan. The Corporation pays 65% of the cost of a health plan for substantially all retirees or surviving spouses of the retirees ("post-retirement benefits"). The program is funded each year by the payment of the required premiums.

Invest Nova Scotia accrues its benefits liabilities under the above noted plan as the employees render the services necessary to earn the future benefits and has adopted the following policies:

(a) The liabilities are valued using the projected benefit method prorated on service and actuarial assessment and best estimates of the probability of retirement salary escalation, inflation, expected health care costs, retirement ages and mortality rates.

(b) The discount rate applied is based on the Province's weighted-average cost of borrowing.

(c) Net actuarial gains or losses are amortized over the average remaining service period.

Adjustments for the plan related to prior period employee's services, net of offsetting unamortized actuarial gain/losses, are recognized in the consolidated statement of operations in the period of plan amendment.

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 the length of service and earnings. Contributions to the Plan are required by both the employees and the employer. The costs of the employer pension benefits are the Corporation's contributions due to the Plan in the period.

The Corporation is not responsible for any under-funded liability, nor does the Corporation have any access to any surplus that may arise in this Plan.

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

(In thousands of dollars)

2. Summary of significant accounting policies (continued)

Use of estimates

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

Adoption of new accounting policy

Effective April 1, 2023, the Corporation had adopted the following newly issued standards and guidelines:

Public private partnerships under PSAS Section 3160 ("Section 3160") which provided guidance on how to account and report an infrastructure asset and corresponding liability for public private partnerships.

Revenue under PSAS Section 3400 ("Section 3400") which provided standards for how to account and report revenue for public sector entities.

Purchased intangibles under PS Guideline 8 ("PSG-8") which explains the scope of intangibles which are now allowed to be recognized in public sector financial statements.

The applications of these amendments do not have material impact on the Corporation's financial statements.

3. Loans receivable

Loans receivable include promissory notes and convertible debentures which were issued under the mandate of the NSFF and have yet to earn significant revenues from their intended business activities or establish their commercial viability. The recovery of loan principal amounts and the realization of investment returns are dependent upon the successful resolution of scientific, regulatory, competitive and other risk factors, as well as the eventual commercial success of these enterprises.

	2024	2023
	$	$
Principal due		
Term loans	**8,731**	11,192
Promissory notes	**333**	353
Convertible debentures	**1,805**	3,055
	10,869	14,600
Allowance for impairments (Note 6)	**(6,702)**	(6,890)
	4,167	7,710

(In thousands of dollars)

3. Loans receivable (continued)

Annual interest charged on these loans ranges from 0% to 7.10% (0% to 12% in 2023). The maturity dates of the loans receivable are as follows:

	$
Past due	2,378
Year ended March 31, 2024	—
Year ended March 31, 2025	920
Year ended March 31, 2026	161
Year ended March 31, 2027	—
Year ended March 31, 2028	3,123
Year ended March 31, 2029	4,188
Fully allowed for loans receivable	99
	10,869

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.

The debentures are convertible at the option of the Corporation into common or preferred shares of the borrower either on demand, in the event of default or at maturity. During the year, the Corporation converted debentures in the amount of $1,000 into preferred shares (nil in 2023).

4. Portfolio investments

Portfolio investments include investments which are publicly held and quoted in an active market, as well as investments in early-stage private enterprises that have yet to earn significant revenues from their intended business activities or establish their commercial viability.

The recovery of the investments in early-stage enterprises and the realization of investment returns are dependent upon the successful resolution of scientific, regulatory, competitive, and other risk factors, as well as the eventual commercial success of these enterprises. Therefore, these factors have been considered in determining the write-down of these investments. Future adverse developments could result in further write-downs of the carrying values of these investments.

(In thousands of dollars)

4. Portfolio investments (continued)

	2024 $	2023 $
Investments quoted in an active market		
Fixed Income	**11,885**	13,404
Common shares	**2,265**	3,112
Mutual funds	**—**	67
Preferred shares	**—**	45
Investments in private enterprises		
Common shares	**10,156**	10,156
Preferred shares	**6,000**	6,206
Investments in early-stage private enterprises	**77,440**	69,784
	107,746	102,774
Allowance for impairments (Note 6)	**(28,700)**	(25,693)
	79,046	77,081

Included in investments are quoted active market investments of the NSFF with a fair value of $14,150 ($16,628 in 2023).

Included in investments in early-stage private enterprises are NSFF investments valued at cost less other than temporary impairment of $65,300 ($60,453 in 2023).

Certain preferred shares have conversion options and warrants attached.

In the year, the Corporation redeemed shares with a carrying value of $600 (nil in 2023).

5. Tangible capital assets

	Cost $	Accumulated amortization $	2024 Net book value $	2023 Net book value $
Land	**1,229**	**—**	**1,229**	1,229
Buildings	**1,448**	**78**	**1,370**	1,207
Computer equipment / hardware / software	**72**	**44**	**28**	55
Equipment	**—**	**—**	**—**	106
Furniture, equipment & technology	**170**	**24**	**146**	154
Information technology	**—**	**—**	**—**	124
Leasehold improvements	**1,999**	**301**	**1,698**	1,924
Land improvements	**131**	**10**	**121**	128
Utilities	**13**	**3**	**10**	13
Wharves	**404**	**47**	**357**	373
	5,467	**507**	**4,959**	5,313

Proceeds from the sale of tangible capital assets less closing costs are remitted to the Province in the form of transfer payment. In the current year, the transfer payments payable to the Province from the sale of tangible capital assets were nil (nil in 2023).

During the year, tangible capital assets in the amount of $301 (nil in 2023) were written down.

(In thousands of dollars)

6. Allowance of impairments of portfolio investments and loans receivables

	Gross balance outstanding $	Specific allowance $	General allowance $	Total allowance $	2024 Net balance outstanding $
Loans receivable (Note 3)	**10,869**	**6,506**	**196**	**6,702**	**4,167**
Portfolio investments (Note 4)	**107,746**	**28,700**	**—**	**28,700**	**79,046**
	118,615	**35,206**	**196**	**35,402**	**83,213**

	Gross balance outstanding $	Specific allowance $	General allowance $	Total allowance $	2023 Net balance outstanding $
Loans receivable (Note 3)	14,600	6,592	298	6,890	7,710
Portfolio investments (Note 4)	102,774	25,693	—	25,693	77,081
	117,374	32,285	298	32,583	84,791

During the year, investments and loan receivables with carrying amounts of $600 (nil in 2023) and $650 (nil in 2023) were redeemed and written-off, respectively.

7. Related party balances

Short-term investments

Pursuant to Section 12(1) of the Invest Nova Scotia Act, Invest Nova Scotia was not directed to redeem any short term investment held with the Province of Nova Scotia and retain the interest earned but transfer to principal balance nil in current year ($8,000 in 2023) in the form of a transfer payment to the Province’s General Revenue Fund. All these were redeemed and transferred to the Province, last year.

Due from the Province of Nova Scotia

The balance due from the Province is non-interest bearing with no set terms of repayment and includes $2,284 ($2,983 in 2023) of earned operating grant.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes nil ($1,924 in 2023) of unused operating grant revenue.

8. Share capital

The Corporation is authorized to issue capital stock of one share with a par value of $1. At year-end, the share has been issued to the Province. Share capital is grouped with accumulated surplus on the consolidated statement of financial position.

(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 of Nova Scotia in the form of a Strategic Investment Grant.

As at Mar 31, 2024, transactions were approved with maximum annual payments over the next five years of $99,921 (maximum annual payments over six years of $100,876 in 2023) as shown below:

	$
2025	22,600
2026	24,624
2027	23,442
2028	15,313
2029	13,942
	99,921

The Corporation entered into operating lease arrangements for buildings and equipment. Future minimum annual lease payments for the next five years of $7,901 under these leases are as follows:

	$
2025	2,240
2026	1,730
2027	1,311
2028	1,310
2029	1,310
	7,901

10. Contingencies

Litigation

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

The Corporation is unable to form opinions in regard to the likelihood of loss arising from the above litigations. Consequently, no provision for any possible loss or revenue recovery have been recorded in these consolidated financial statements.

The Corporation filed an Application in Court against Scozinc Limited (also known as, EDM Resources Inc.) for specific performance requiring Scozinc Limited to carry out remediation of the contaminated site pursuant to the terms of the lease for its Lead & Zinc Biosolids Handling Facility at the Port of Sheet Harbour.

(In thousands of dollars)

10. Contingencies (continued)

Contaminated site

The Corporation had a long-term lease agreement at the Port of Sheet Harbour with ScoZinc Limited (now Scotia Mine Limited), a wholly owned subsidiary of EDM Resources Inc., and its predecessors for storage and shipment of Lead & Zinc through the Port from the Scotian Mine in Gay's River. In July 2020, Scozinc Limited provided 60 days notice of its intent to terminate the lease. Under the terms and conditions of the agreement, Scozinc is responsible for the remediation of any contamination discovered because of its use of the site to the satisfaction of the Corporation and Nova Scotia Environment Contaminated Sites Regulations ("regulations").

According to the Ph. II Environmental Site Closure Assessment and Remedial Action Plan completed by the Scozinc Limited as per the terms of the lease, lead-zinc concentration exceedances, within surface water discharge, and lead concentrate exceedances in surficial soil samples were identified throughout the property. This contamination exceeds the acceptable standards, including Nova Scotia Environment Tier 1 Environmental Quality Standards for Groundwater, Non-Potable, Commercial Land Use Standards and are not acceptable to the Corporation.

The Corporation does not accept responsibility for the contamination and related remediation costs and currently holds a $100 reclamation bond from Scozinc Limited. Management has not disclosed the ranges of possible outcomes of the estimated clean-up costs due to the potentially adverse effect on the Company's position with respect to this matter. The Corporation continues not to accept responsibility, and will continue seeking recourse through the courts.

11. Financial instruments

Classification of financial instruments

The carrying amounts of financial assets and liabilities recorded at cost or at fair value as at March 31, 2024 are as follows:

	Classification Fair value	**2024 Cost**	Classification Fair value	2023 Cost
	$	**$**	$	$
Financial assets				
Cash and cash equivalents	**—**	**24,815**	—	29,037
Restricted cash and cash equivalents	**—**	**5,825**	—	3,847
Accounts receivable				
Interest receivable	**—**	**73**	—	88
Other receivables	**—**	**1,605**	—	536
Receivables - NSIPF	**—**	**38**	—	2
Due from the Province of Nova Scotia	**—**	**8,324**	—	18,634
Loans receivables	**—**	**4,167**	—	7,710
Portfolio investments	**—**	**—**	—	—
Investments quoted in an active market	**14,150**	**—**	16,628	—
Investments in private enterprises	**—**	**79,046**	—	77,081
	14,150	**123,891**	16,628	136,936

11. Financial instruments (continued)

Fair value

Fair value estimates are made as of a specific point in time, using available information about the financials 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
- 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 labilities.

Credit risk

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

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

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 impairment of portfolio investments.

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.

(In thousands of dollars)

11. Financial instruments (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 the market price risk is limited, as it does not presently hold investments quoted in the 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 the 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 of Nova Scotia. In the normal course of business the Corporation enters into contracts that give rise to commitments for future payments which also impact the Corporation's liquidity. The Corporation also maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities.

The following table summarizes the fixed contractual maturities for all financial liabilities as at March 31, 2024:

	Within 1 year $	2 to 5 years $	6 to10 years $	Over 10 years $	2024 Total $	2023 Total $
Accounts payable and accrued liabilities	17,172	—	—	—	17,172	36,135
Accounts payable and accrued liabilities – NSIPF	10	—	—	—	10	9
Asset Retirement Obligation ("ARO")	—	25	221	—	246	—
Lease inducement liability	10	—	—	—	10	30
Employee benefits and other liabilities	988	836	656	1,764	4,244	3,937
Transfer payments payable to the Province	—	—	—	—	—	—
Deferred revenue	509	—	—	—	509	692
Deferred revenue – NSIPF	560	—	—	—	560	789
Deferred capital contributions	146	438	730	93	1,407	1,554
Film production assistance commitments payable – NSIPF	162	—	—	—	162	52
	19,557	1,299	1,607	1,857	24,320	43,199

(In thousands of dollars)

12. Funds activities

The following are summaries of the Funds as at March 31, 2024:

(a) Nova Scotia Fund ("NSF")

	Gross $	Less allowance for impairments $	2024 Net total $	2023 Net total $
Assets				
Loans receivable	**8,731**	**4,797**	**3,934**	5,870
Portfolio investments	**16,156**	**16,156**	**—**	—
Tangible capital assets	**734**	**—**	**734**	697
	25,621	**20,953**	**4,668**	6,567

	2024	2023
Funding authorized and committed		
Fund balance authorized, net of write-offs & OIC changes	**114,484**	174,943
Less: uncommitted balance of fund	**88,863**	146,691
Committed fund balance	**25,621**	28,252
Less: allowance for impairments (Note 6)	**20,953**	21,684
	4,668	6,567

(b) Nova Scotia First Fund ("NSFF")

	Gross $	Less allowance for impairments $	2024 Net Total $	2023 Net Total $
Assets				
Loans receivable	**2,138**	**1,905**	**233**	8,140
Portfolio investments	**77,440**	**12,544**	**64,896**	60,453
	79,578	**14,449**	**65,129**	68,593

	2024	2023
Funding authorized and committed		
Fund balance authorized, net of write-offs & OIC changes	**98,159**	45,550
Less: uncommitted balance of fund	**78,765**	19,455
Committed fund balance	**19,394**	26,095
Less: allowance for impairments (Note 6)	**14,499**	10,773
	4,895	15,322

During the year, Order-In-Council ("OIC") number 2024-91 transferred $60,000 (nil in 2023) in authorized funding authority from NSF to NSFF.

(In thousands of dollars)

13. Supplementary cash information

Changes in non-cash working capital

	2024 $	2023 $
Accrued interest receivable	**13**	6
Other receivables	**(1,069)**	(2,775)
Other receivables – NSIPF	**(36)**	7
Due from the Province of Nova Scotia	**10,312**	(6,090)
Accounts payable and accrued liabilities	**(18,963)**	6,656
Accounts payable and accrued liabilities – NSIPF	**1**	—
ARO Liability	**246**	—
Deferred revenue	**(184)**	(186)
Deferred revenue – NSIPF	**(229)**	364
Employee benefits and other liabilities	**307**	1,183
Film production assistance commitments payable – NSIPF	**110**	(311)
Prepaid expenses	**55**	74
	(9,437)	(1,072)

Interest income

During the year, cash received for the interest income was $200 ($169 in 2023).

14. Related party transactions

During the year, there were no companies controlled or otherwise not independent of the Corporation eligible for incentives offered by the Corporation. As at March 31, 2024, there were no companies controlled by, or otherwise not independent of Advisory Board members, for financial assistance therefore no specific allowances were recorded against any such investments. Furthermore, there were no incentives issued under this category in the current year.

The Corporation receives legal services free of charge from the Province. Management estimates the annual cost of these services would be approximately $383 ($111 in 2023).

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

(In thousands of dollars)

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

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

	2024	2023
	$	$
Retirement Health Benefits Care Plan	**3,114**	3,033
Other payroll	**732**	477
Vacation pay	**398**	427
	4,244	3,937

Invest Nova Scotia pays 65% of the cost of dental and health care benefits for substantially all employees after retirement. Invest provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the consolidated financial statements.

The accrued benefit liability as a result of the Retirement Health Benefits Care Plan, which are based on actuarial assumptions and calculations for former employees and retirees as at March 31, 2024 is as follows:

	2024	2023
	$	$
Accrued Benefit Obligation, beginning of year	**2,661**	1,795
Experience gain or loss due to change in discount rate at beginning of year	**(104)**	(20)
Current Service Cost	**94**	28
Estimated benefits paid	**(61)**	(19)
Interest of average liability	**82**	25
Other (plan amendments, etc.)	**—**	1,224
Accumulated unamortized experience loss (gain) at end of year	**(17)**	(372)
Unamortized actuary gains / losses	**459**	—
Accrued Benefit Obligation, end of year	**3,114**	2,661

(In thousands of dollars)

15. Employee benefits, post-retirement benefits and other liabilities (continued)

In current year, the first actuarial valuation for accounting purposes for the whole Invest Nova Scotia took place on March 31, 2024, last year, the former entities had separate valuations carried out. The significant assumptions adopted by management in measuring the benefit obligations were as follows:

	2024 Invest Nova Scotia	2023 Former Innovacorp	2023 Former NSBI
Discount rate	**3.18%**	2.96%	2.96%
General salary growth rate	**1.00%**	1.00%	1.00%
Inflation rate	**2.00%**	2.00%	2.00%
Healthcare cost trend rate assumptions			
Extended health coverage	**4.00%**	6.85%	7.00%
Prescription drug coverage	**4.00%**	—	7.00%
Hospital coverage	**4.00%**	4.00%	4.00%
Vision coverage	**0.00%**	0.00%	0.00%
Other key assumptions			
Year's Maximum Pensionable Earnings ("YPME")	**2.50%**	N/A	2.50%
Retirement age			
at age 55	**—**	20.00%	—
at age 59	**10.00%**	—	10.00%
at age 60	**20.00%**	—	20.00%
at age 61-64	**10.00%**	—	10.00%
at age 65-69	**50.00%**	—	50.00%
at age 70	**100.00%**	—	100.00%
Mortality tables	**CPM-12014 Public Sector table**	None assumed	CPM-12014 Public Sector table

The unamortized actuarial gains and losses are amortized over the average remaining service life of active employees which has been estimated to be 14 years (14 years for former NSBI and, 8 years for former Innovacorp in 2023) as at March 31, 2024.

Actuarial gains and losses due to changes in the discount rate are assumed to have occurred at the beginning of the year and all other actuarial gains and losses are assumed to have occurred at the end of the year.

Pension benefits

All full-time employees are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act ("PSSP") based on the employees' length of service and earnings. The plan is funded by the employee and the employer contributions. The employer's contributions for 2024 were $641 ($294 in 2023) and are recognized as an operating expense in the year.

(In thousands of dollars)

16. Deferred capital contributions

	2024 $	2023 $
PNS – Knowledge Park [a]	**374**	375
PNS – Fibre MAN [b]	**10**	14
ACOA – 1344 Summer St. [c]	**103**	120
PNS – Building Energy retrofit [d]	**76**	80
ACOA – 1344 Summer St. [e]	**201**	230
ACOA – 1344 Summer St. [f]	**213**	244
ACOA – 1344 Summer St. [g]	**236**	266
ACOA – 1344 Summer St. [h]	**193**	225
	1,407	1,554

(a) OIC 2005-387 provided Invest Nova Scotia with $1,700 in funding for infrastructure improvements in the Woodside Industrial Park towards the creation of a Knowledge Park on land owned by Invest Nova Scotia. Funding under this OIC has been fully advanced. Expenditures on land improvements have been deferred and are recognized upon disposition of land inventory.

(b) In 2005, the Province of Nova Scotia ("PNS") provided Invest Nova Scotia with $98 to connect Invest Nova Scotia to the Halifax Area Dark Fibre Network. Additionally, $90 was paid to the operator of the network, which entitled Invest Nova Scotia to use it for 20 years. These funds are being recognized over the period for which their cost entitles Invest Nova Scotia to access the dark fibre network.

(c) In 2011, Atlantic Canada Opportunities Agency ("ACOA") provided Invest Nova Scotia with $348 in assistance to fit-up space at the Invest Nova Scotia Enterprise Centre ("IEC"). These funds are being recognized on the same basis as the assets they funded are amortized.

(d) In 2012, under the Government Building Energy Retrofit program, the Nova Scotia Department of Transportation and Infrastructure Renewal covered the $122 cost of converting Invest Nova Scotia's air handling unit at 1 Research Dive from electric to natural gas. The associated costs have been deferred and will be recognized on the same basis as the asset they funded is amortized.

(e) In 2013, ACOA provided Invest Nova Scotia with $500 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are amortized.

(f) In 2014, ACOA provided Invest Nova Scotia with $500 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are amortized.

(g) In 2015, ACOA provided Invest Nova Scotia with up to $500 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are amortized and were fully recognized as revenue in the current year.

(h) In 2016, ACOA provided Invest Nova Scotia with up to $430 in assistance to fit-up space at IEC. These funds will be recognized on the same basis as the related assets are amortized.

17. 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 under the IPF are externally restricted and included on the statement of financial position in cash and cash equivalents and are deferred until committed.

During the year, the Corporation through its subsidiary, NSIPF, received $150 ($201 in 2023) from the funding partner to invest in qualifying projects, and nil ($2 in 2023) in the recovery of equity investments. The cumulative total of equity investments made by the IPF, assumed and originated, as at March 31, 2024 is $6,266 ($5,871 in 2023) due to investments made ($395) ($50 in 2023). As at March 31, 2024, nil ($2 in 2023) was recouped and $162 ($52 in 2023) remains undisbursed and is booked as a commitments payable.

Invest Nova Scotia

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

Year ended March 31, 2024

(In thousands of dollars)

	Notes	2024 $	2023 $
Revenue			
Eastlink contributions	18	**380**	7
Interest income		**25**	—
		405	7
Expenses			
Equity investments		**395**	7
Administrative expenses		**10**	—
		405	7

Invest Nova Scotia

Schedule 2 - Schedule of operating expenses

Year ended March 31, 2024
(In thousands of dollars)

	Budget $ (Unaudited)	2024 $	2023 $
Incentives, grants and contributions	**17,815**	**20,124**	15,131
Salaries and benefits	**13,825**	**11,982**	4,821
Business development	**3,603**	**3,082**	1,700
Office	**3,405**	**2,854**	964
Telecommunications and technical support	**971**	**1,247**	276
Repairs and Maintenance	**298**	**588**	275
Travel	**711**	**372**	174
Amortization	**477**	**312**	116
Other	**178**	**225**	325
Legal and audit	**173**	**144**	129
Total	**41,457**	**40,931**	23,910

(In thousands of dollars)

	Budget $ (Unaudited)	2024 $	2023 $
Repairs, maintenance, salaries and other	806	2,552	151
Amortization	48	69	14
Legal	50	4	—
	904	2,625	165

APPENDIX C

Annual Activities/ Output Disclosures

From starting up and raising capital, to incubation and acceleration, export development and investment attraction, Invest Nova Scotia supports the growth and momentum of Nova Scotia businesses of all sizes, and we welcome businesses from elsewhere to join us here.

Export Development Program Stream 1: Travel and Trade Missions

Approved Applications:

654*

(1038 projects; some applications have several projects)

Total Approved Funding:

$3,046,281.75

*Invest Nova Scotia disbursed $1,890,746.96 on 564 EDP stream 1 applications in FY 2023-24

Export Development Program Stream 2: Hire a consultant, or service provider.

Approved Applications:

166*

Total Approved Funding:

$1,496,792.10

*Invest Nova Scotia disbursed funds of $1,154,125.80 on 130 EDP S2 applications in FY 2023-2024.

Productivity and Innovation Voucher Program

Approved Applications:

54*

*Invest Nova Scotia disbursed funds of $1,023,361.47 on 54 applications in FY 2023-2024.

Digital Marketing Asset Development Program

Company	County
All For Knot Rope Weaving	Colchester
Allumiqs Corporation	Halifax (Urban)
Aqua Production Systems Incorporated	Pictou
Ashored Inc.	Halifax (Urban)
Clever Fruit Products Ltd.	Halifax (Rural)
EcoMarine Technologies Inc.	Halifax (Urban)
Giffin Technologies Inc.	Halifax (Urban)
Glenora Distillers International Ltd	Cape Breton
Graphite Innovation and Technologies Inc	Halifax (Urban)
Luckett Vineyards	Kings
Pro-Oceanus Systems Inc	Lunenburg
Sensor Technology Ltd.	Halifax (Urban)
Tenera Care	Halifax (Urban)
Xeos Technologies Inc	Halifax (Urban)
Zen Energy Inc.	Halifax (Urban)

Total Number of Approved Participating Companies:

15

Total Amount of Approved Funding:

$103,750

Innovation Rebate Program (IRP)

Approved and Announced Funding Commitments in 2023-2024

Account Name	Sector	County	Total Amount Approved
John Ross and Sons Limited	Advanced Manufacturing	Halifax (Urban)	$1,671,752.25
Beaumont Cabinets & Millwork	Advanced Manufacturing	Hants	$750,000.00
Saltbox Brewing Company	Agrifood Technology	Lunenburg	$2,187,500.00
Maritime Gourmet Mushrooms Inc.	Agrifood Technology	Colchester	$727,900.00
Twin Rivers Park Limited	Advanced Manufacturing	Pictou	$101,250.00
Ocean Crisp Apple Company Incorporated	Agrifood Technology	Kings	$2,193,750.00
Sea Crest Fisheries Ltd.	Food & Beverage (inc. Seafood)	Digby	$117,500.00
Maritime Paper Products Limited Partnership	Advanced Manufacturing	Halifax (Urban)	$3,704,525.00
Maritime Pride Eggs Inc	Agrifood Technology	Cumberland	$134,125.00
Floyd Dickie & Sons Ltd	Agrifood Technology	Cumberland	$227,675.00
The Allen Print	Other	Halifax (Urban)	$300,392.00
Cape Breton Beverages Limited	Advanced Manufacturing	Cape Breton	$141,950.00
Millen Farms Ltd	Advanced Manufacturing	Colchester	$1,000,000.00
Jost Vineyards Ltd	Agrifood Technology	Cumberland	$250,000.00
Dartmouth Metals and Bottle Limited	Advanced Manufacturing	Halifax (Urban)	$387,038.00
IMP Electronic Systems	Defence	Halifax (Rural)	$921,487.00
Outdoor-Fit Exercise Systems	Advanced Manufacturing	Halifax (Rural)	$485,000.00
Moulding Warehouse Limited	Advanced Manufacturing	Halifax (Rural)	$908,979.00
Eastcut Wood Building Solutions Inc.	Advanced Manufacturing	Pictou	$1,769,600.00
Island Folk Cider House	Agrifood Technology	Cape Breton	$79,188.00
RKO Steel Limited	Advanced Manufacturing	Halifax (Urban)	$884,625.00
Lake Shore Living Ltd	Advanced Manufacturing	Inverness	$420,845.00
Copol International Ltd.	Advanced Manufacturing	Cape Breton	$175,000.00
Emmerson Packaging Limited	Advanced Manufacturing	Cumberland	$638,366.00
Maritime Truss - Roof Systems	Advanced Manufacturing	Colchester	$412,201.00
Mezza Franchising Limited	Agrifood Technology	Halifax (Urban)	$1,237,955.00
Total Amount Approved			**$21,828,603.25**

Invest and Locate in Nova Scotia:

Strategic Investment Fund (Payroll Rebate) Transactions Authorized in 2023-2024

Company	Sector	County	Total Amount Approved
Global Spatial Technology Solutions Inc.	Ocean Tech	HRM	$664,200
Opus Fund Services (Canada) Limited	Financial Services	HRM	$779,000
Cognizant Technology Solutions Corporation	ICT	HRM	$20,713,600
Ness Canada Inc.	ICT	HRM	$680,400
Oneka Technologies	Ocean Tech	HRM	$691,200
Bank of Montreal	Financial Services	HRM	$2,159,640
Virtual Hallway Inc.	ICT	HRM	$552,300
Arctic Wolf Networks Canada, Inc.	ICT	HRM	$2,016,000
NOVONIX Battery Testing Services Inc.	Clean Tech	HRM	$1,850,205
Total Amount Approved			**$30,106, 545.00**

Investment Attraction Project Management Activity Facilitated in 2023-2024

Account Name	Sector	County
Growth Recipes Inc.	ICT	HRM
Gamemode One Inc.	Digital Media	HRM
Manuh Global Technologies Limited	ICT	HRM
Onnipresenza Canada, Inc.	Agri-Food	Colchester
Marinus Services LLC	Ocean Tech	HRM
Puzzle Finch Games Atlantic Ltd.	Digital Media	HRM

Start-Ups in Nova Scotia

In 2023-2024, Invest Nova Scotia made venture capital investments from the Nova Scotia First Fund in 8 companies, advancing $3,214,947 million to start-ups.

Company Name	Amount
Frenter	$15,000
3D BioFibR	$400,000
BlueLight	$500,000
Program.AI (o/a Wellnify)	$100,000
Bright Breaks	$500,000
Click to Order	$99,947
Hollo	$100,000
Alter Biota	$1,500,000

Private-sector Funds*

Fund	Date Committed	Commitment	Disbursed to March 31, 2024	Disbursed 2023-2024	Total Returned
Cycle Capital I	January 20, 2009	$2,000,000	$1,897,341	-	$38,133
Cycle Capital III	June 3, 2012	$1,000,000	$986,162	$11,698	$852,921
Build Ventures I	February 26, 2013	$15,000,000	$12,917,379	-	$8,083,957
Build Ventures II	February 11, 2019	$15,000,000	$9,131,770	$2,376,112	-
Concrete Ventures	February 11, 2019	$15,000,000	$11,208,539	$2,389,656	$72,945
Two Small Fish Ventures	March 31, 2020	$250,000	$198,214	$14,027	-
Sandpiper Ventures	August 31, 2021	$5,000,000	$3,618,772	$574,291	-

* Invest Nova Scotia is a limited partner in Build Ventures I & II, Concrete Ventures, Cycle Capital Funds I and III, Sandpiper Ventures and Two Small Fish Ventures. Disbursements to those funds were approximately $5.37 million during the fiscal year. The table above summarizes Invest Nova Scotia's commitments and investments in these funds since their inception and for 2023-24.

APPENDIX D

Eastlink TV Independent Production Fund Program Activity

through the Invest Nova Scotia subsidiary, Nova Scotia Independent Production Fund

For the period April 1, 2023 to March 31, 2024:

Number of applications received	3
Number of projects funded	2
Regional project commitments (100% Nova Scotia)	$224,155
Aboriginal-language project commitments	$0
Third-language project commitments	$0
English-language project commitments	$224,155
French-language project commitments	$0
Non-programming digital content commitments	$0
Total project commitments	$224,155