Trade Centre Limited

Financial statements
March 31, 2019

Building a better working world

Management's report

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

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

On behalf of Trade Centre Limited Board:

Carrie Cussons
President & CEO

Independent auditor's report

To the Minister of the Department of Business
Regarding
Trade Centre Limited

Opinion

We have audited the financial statements of **Trade Centre Limited** [the "Company"], which comprise the statement of financial position as at March 31, 2019, and the statements of operations and accumulated deficit, statement of changes in net debt, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Company 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.

Emphasis of matter

We draw attention to note 1 to the financial statements, which describes that management of the Company liquidated the Company and ceased operations during the year ended March 31, 2019. As a result, the financial statements have not been prepared using the going concern basis and were instead prepared using the liquidation basis. Our opinion is not modified in respect of this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Company'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. When such use is inappropriate and management uses an alternative basis of accounting, we conclude on the appropriateness of management's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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 management 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.

Ernst + Young LLP

Halifax, Canada
June 20, 2019

Chartered Professional Accountants
Licensed Public Accountants

Trade Centre Limited

Statement of financial position

As at March 31

	2019 $	2018 $
Financial assets		
Cash	—	6,982,156
Restricted cash	—	1,551,941
Accounts receivable	—	295,788
Due from Scotiabank Centre *[note 8]*	—	133,964
Due from Halifax Regional Municipality *[note 8]*	—	594,454
Due from Events East Group *[note 8]*	—	32,138
	—	9,590,441
Financial liabilities		
Accounts payable and accrued liabilities	—	214,697
Long-term service award - one-time payment *[note 5]*	—	987,016
Deferred revenue	—	9,154
Event deposits	—	9,951
Due to Province of Nova Scotia *[note 8]*	—	10,532,651
Advance ticket sales	—	1,589,943
Long-term service awards *[note 5]*	—	109,884
Other liabilities *[note 5]*	—	838,800
	—	14,292,096
Net debt	—	(4,701,655)
Non-financial assets		
Tangible capital assets, net *[note 3]*	—	1,712
Assets held for sale, net *[note 4]*	—	1,551,551
Prepaid expenses	—	43,452
	—	1,596,715
Accumulated deficit *[note 6]*	—	(3,104,940)

See accompanying notes

On behalf of the Trade Centre Limited Board:

Director

Trade Centre Limited

Statement of operations and accumulated deficit

Year ended March 31

	2019	2018
	$	$
Revenue		
Government transfers *[note 7]*	**49,641**	594,453
Ticket Atlantic	**1,366,778**	1,066,646
Investment income	**116,367**	47,622
Office Tower	**300**	1,747,405
Convention Centre	**—**	6,238,318
	1,533,086	9,694,444
Expenses		
Event expenses	**828,532**	3,975,838
Salaries and benefits *[note 5]*	**318,930**	2,374,525
Trade Centre Limited Wind Down	**78,555**	—
Advertising and marketing	**74,719**	50,019
Maintenance	**17,444**	895,346
Administration	**6,816**	461,255
Taxes and insurance	**—**	666,288
Energy	**—**	603,343
	1,324,996	9,026,614
	208,090	667,830
Halifax Convention Centre		
Government transfers *[note 7]*	**—**	7,049,313
Expenses	**—**	6,483,725
	—	565,588
	208,090	1,233,418
Sales of the World Trade and Convention Centre building		
Gain on sale of building, net *[note 4]*	**11,617,475**	—
Transfer to Province of Nova Scotia *[note 4]*	**(11,617,475)**	—
	—	—
Depreciation of tangible capital assets *[note 3]*	**1,712**	204,352
Annual surplus from on-going operations	**206,378**	1,029,066
Transfers to Events East Group *[note 9]*	**—**	(1,112,500)
Transfer from Nova Scotia Department of Business *[notes 1 and 7]*	**2,898,462**	—
Annual surplus (deficit)	**3,104,840**	(83,434)
Cancellation of Common Shares	**100**	—
Accumulated deficit, beginning of year	**(3,104,940)**	(3,021,506)
Accumulated surplus (deficit), end of year	**—**	(3,104,940)

See accompanying notes

Trade Centre Limited

Statement of changes in net debt

Year ended March 31

	2019	2018
	$	$
Annual surplus (deficit)	**3,104,840**	(83,434)
Acquisition of tangible capital assets *[note 3]*	**—**	(634,785)
Disposal of tangible capital assets *[note 3]*	**1,551,551**	5,058
Depreciation of tangible capital assets *[note 3]*	**1,712**	204,352
Decrease in prepaid expenses	**43,452**	498,582
Transfer of tangible capital assets to Events East Group *[note 9]*	**—**	1,096,002
Cancellation of common shares	**100**	—
Decrease in net debt	**4,701,655**	1,085,775
Net debt, beginning of year	**(4,701,655)**	(5,787,430)
Net debt, end of year	**—**	(4,701,655)

See accompanying notes

Trade Centre Limited

Statement of cash flows

Year ended March 31

	2019	2018
	$	$
Operating activities		
Annual surplus (deficit)	**3,104,840**	(83,434)
Add items not affecting cash		
Depreciation of tangible capital assets	**1,712**	204,352
Long-term service awards	**(1,096,900)**	434,300
(Gain) loss on disposal of tangible capital assets	**(11,617,475)**	5,058
Transfers to Events East Group	**—**	1,112,500
Grant received from Province of Nova Scotia *[note 7 & 8]*	**2,898,462**	—
Net changes in working capital		
Accounts receivable	**93,861**	221,030
Inventory held for resale	**—**	77,394
Due from Scotiabank Centre	**133,964**	255,898
Due from Halifax Regional Municipality	**594,454**	(594,454)
Due from Events East Group	**32,138**	(32,138)
Accounts payable and accrued liabilities	**(99,042)**	(756,218)
Event deposits	**(9,951)**	(404,599)
Deferred revenue	**9,318**	(1,086,734)
Due to Province of Nova Scotia	**(13,374,825)**	4,176,129
Advance ticket sales	**2,522,202**	(946,124)
Other liabilities	**(838,800)**	36,000
Prepaid expenses	**12,649**	498,582
Cash (used in) provided by operating activities	**(17,633,393)**	3,101,044
Capital activities		
Cash paid on acquisition of tangible capital assets	**—**	(634,785)
Proceeds from sale of tangible capital assets	**13,187,270**	—
Cash provided by (used in) capital activities	**13,187,270**	(634,785)
Investing activities		
Cash transferred to Events East Group	**(4,087,974)**	(16,498)
Cash used in investing activities	**(4,087,974)**	(16,498)
Net (decrease) increase in cash during the year	**(8,534,097)**	2,466,259
Cash, beginning of year	**8,534,097**	6,067,838
Cash, end of year	**—**	8,534,097
Cash is comprised of:		
Cash	**—**	6,982,156
Restricted cash	**—**	1,551,941
	—	8,534,097

See accompanying notes

Trade Centre Limited

Notes to financial statements

March 31, 2019

1. Nature of operations

Trade Centre Limited [the "Company"], operated by Events East Group ["Events East"], had a mandate in 2018-19 to wind up operations and to ensure appropriate transfer or disposal of its assets and liabilities. The Company's principal business operation during this year was Ticket Atlantic along with oversight and coordination of the sale of the World Trade and Convention Centre Office Tower.

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

On April 4, 2016, the Province proclaimed the *Halifax Convention Centre Act,* which resulted in the formal creation of the Halifax Convention Centre Corporation and Board. Trade Centre Limited's Board was reduced to a Limited Board effective April 1, 2017. The Limited Board continued to oversee the Office Tower operations and its sale, as well as the transfer of Ticket Atlantic and the wind-up of the Company.

The statements herein reflect Trade Centre Limited's operations of ticketing services for the period April 1, 2018 to February 28, 2019, the sale of the Office Tower, and the wind up of Trade Centre Limited. Effective March 1, 2019, the Board approved the transfer of Ticket Atlantic to Events East and began plans to cease operations of the Company and liquidate the Company. As a result of the liquidation and wind up of operations, these financial statements have not been prepared on a going concern basis and have instead been prepared using the liquidation basis of accounting effective March 1, 2019. Under this basis of accounting, assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts. Prior to March 1, 2019, the financial statements of the Company were prepared on a going concern basis, which contemplated the realization of assets and payments of liabilities in the normal course of business.

On March 31, 2019, the Company liquidated Trade Centre Limited, wound up its affairs, and received its Certificate of Surrender from the Registry of Joint Stock Companies. All obligations have been settled and the remaining liabilities were assumed by the Province by way of a grant from the Nova Scotia Department of Business.

2. Summary of significant accounting policies

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

Basis of presentation

For the period April 1, 2018 to February 28, 2019, the Company consisted of one division, Ticket Atlantic. Subsequent to February 28, 2019, the Company finalized wind-up activities.

Liquidation basis of accounting

Assets are valued at their net realizable value, which represents their expected recoverable amounts. Liabilities have been measured at their expected settlement amounts. The estimates involved in these measurements are known future events and contractual obligations.

Notes to financial statements

March 31, 2019

Revenue

Revenue was recognized when the item had an appropriate basis of measurement, a reasonable estimate could be made of the amount involved, and for items that involved obtaining or giving up future economic benefits, it was expected that such benefits would be obtained or given up. Event deposits were recorded as a liability until the event occured and the revenue recognition criteria was met.

Government transfers were recognized as revenue when the transfer was authorized, any eligibility criteria were met, and reasonable estimates of the amounts were made. Transfers were recognized as deferred revenue when amounts had been received, but not all stipulations had been met.

Expenses

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

Summary of significant accounting policies to comparatives:

Cash

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

Restricted cash

Restricted cash represented cash received for advance ticket sales.

Advance ticket sales

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

Tangible capital assets

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

Building	Held for sale
Furniture and equipment	3 – 5 years
Leasehold improvements	Held for sale

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

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

Notes to financial statements

March 31, 2019

Prepaid expenses

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

Employee future benefits

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

Measurement uncertainty

The preparation of the Company's 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 financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of significant estimates included the useful life of tangible capital assets and employee future benefits.

Estimates were based on the best information available at the time of the preparation of the financial statements and were reviewed periodically to reflect new information as it became available.

3. Tangible capital assets

	2018 $
Furniture and equipment	
Cost, beginning of year	5,674,599
Additions	634,786
Disposals	(4,683,229)
Transfers to Events East Group	(1,538,321)
Cost, end of year	87,835
Accumulated depreciation, beginning of year	5,002,257
Depreciation expense	204,353
Disposals	(4,678,169)
Transfers to Events East Group	(442,319)
Accumulated depreciation, end of year	86,123
Net book value, end of year	1,712

As at March 31, 2019, the net book value was nil; there were no additions or disposals during the year. The Company recognized $1,712 as depreciation expense during the year.

4. Sale of the World Trade and Convention Centre building

At the direction of the Nova Scotia Department of Transportation and Infrastructure Renewal ["TIR"], the Company executed a purchase and sale agreement with an external third party, as a result of an unsolicited bid. Effective April 9, 2018, the World Trade Convention Centre building was sold to Armco Capital Inc. ["Armco"]. Associated office leases were assigned to Armco effective April 1, 2018.

The gross proceeds of the sale were $13.5 million less selling costs. The net proceeds of the sale were $11.6 million, which is recognized as a gain for the Company in the statement of operations and accumulated surplus (deficit). In accordance with section 16 of the Finance Act (Nova Scotia), funds resulting from the sale of real property by a Government Reporting Entity must be deposited into the Province's General Revenue Fund. This transfer of funds was recorded as an operating expense in the statement of operations and accumulated surplus (deficit) and therefore the transaction had no net impact on the statement of operations and accumulated surplus (deficit) of the Company.

5. Employee future benefits

Pension costs

Effective March 1, 2018, all employees were transferred to Events East along with associated pension costs. Ticket Atlantic employee costs were charged back to the Company during the period April 1, 2018 to February 28, 2019 and only their pension costs are detailed herein for fiscal 2018-19.

Employees of the Company participate in the Public Service Superannuation Fund [the "Plan"], a contributory defined benefit pension plan administrated by the Public Service Superannuation Plan Trustee Inc., which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. Total employer contributions for fiscal 2019 amounted to $19,904 [2018 – $365,059] and are recognized as an expense during the year. Total employee contributions for fiscal 2019 amounted to $19,904 [2018 – $365,158]. The Company is not responsible for any underfunded liability, nor does the Company have any access to any surplus that may arise in this Plan.

Long-term service awards

Effective April 1, 2015, the Treasury and Policy Board of the Province issued an administrative directive, permanently curtailing accumulation of service award years for non-bargaining unit employees. In addition, employees were offered a one-time option for "Service Payout" under this plan, which was effective March 31, 2018. Effective April 1, 2018, the Province of Nova Scotia assumed a liability for the public service award for the remaining employees who did not exercise the one-time option.

Notes to financial statements

March 31, 2019

The following outlines details of the accrued benefit obligation:

	2018
	$
Accrued benefit obligation, beginning of year	781,100
Add: Actuarial loss due to assumption changes, beginning of year	36,800
Add: Interest on accrued benefit obligation	28,000
Less: Benefit payments	—
Add: Settlement loss	170,200
Add: Actuarial loss due to other assumption and data changes, end of year	123,500
Accrued benefit obligation, end of year	1,139,600
Unamortized net actuarial loss, end of year	(42,700)
Net total liability, end of year	1,096,900
Less current portion to be paid out in fiscal 2019	987,016
Long-term service award	109,884

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligation as at March 31, 2018 are as follows: discount rate – 3.42%; rate of compensation increase – scale ranging from 4.5% at age 30 to 2.0% at age 50; rate of inflation 2.0%. Actuarial gains and losses were amortized over the expected average remaining service lifetime of 10 years. Amortization of actuarial gains and losses reflected in 2018 expense related to the public service award was a loss of $2,100. During the year, an expense of $313,109, including accelerated recognition of previously unrecognized actuarial losses of $168,703 as a result of the settlement, and settlement losses of $122,706 due to actual benefits as part of the one-time payout option being higher than expected were recorded in the statement of operations and accumulated deficit.

Other liabilities

The Company had a supplemental pension arrangement with a former President and Chief Executive Officer to provide post-employment benefits. This liability was transferred to the Province of Nova Scotia as of April 1, 2018,

The following outlines details of the accrued benefit obligation:

	2018
	$
Accrued benefit obligation, beginning of year	802,800
Add: Actuarial loss due to assumption changes, beginning of year	51,300
Add: Interest on accrued benefit obligation	28,200
Less: Benefit payments	(57,200)
Add: Actuarial loss due to other assumption and data changes, end of year	13,700
Accrued benefit obligation, end of year	838,800

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligation as at March 31, 2018 were as follows: discount rate – 3.42%; rate of inflation 2.0%.

6. Accumulated deficit

Upon winding up TCL's affairs, the accumulated deficit represented a Due to PNS. The Due to PNS was partly settled with the cash balance and the remaining Due to PNS was settled by a grant from the Department of Business of the Province. The Company had 100 common shares issued and outstanding which were surrendered as of wind up.

7. Government transfers

Government transfers consist of the following:

	2019 $	2018 $
Transfers from Halifax Regional Municipality – WTCC[1]	—	594,453
Transfers from Nova Scotia Department of Business – TCL Wind Up Grant[2]	**2,898,462**	—
Recovery from prior year transfer to Events East[3]	**49,641**	—
Transfers from Nova Scotia Department of Business – HCC[3]	—	6,502,673
	2,948,103	7,097,126

[1] Pursuant to the Financing Agreement dated May 14, 1982, HRM made an annual contribution to the operating deficit of the Company. This arrangement expired upon closing of the World Trade and Convention Centre.

[2] The Company received a grant from the Nova Scotia Department of Business during fiscal 2019 to fund the net deficit of the Company.

[3] Represents the Company's net receivable from Events East resulting from net assets transferred.

[4] During fiscal 2018, the Company continued marketing and business development activities for the new convention centre on behalf of its shareholders. Marketing and business development expenditures of nil [2018 – $1,411,465] were funded by transfers received from PNS and were included in the Company's statement of operations and accumulated deficit. Additional funding of nil [2018 – $3,178,114] was transferred from PNS to prepare to operate the new convention centre, and $ nil was received from PNS [2018 – $1,913,094] to procure event related equipment for the new convention centre.

8. Related party transactions

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

	2019 $	2018 $
Energy recoveries paid to Scotiabank Centre[1]	—	433,713
Payroll recoveries received from Scotiabank Centre[2]	—	2,855,776
Commissions paid to Scotiabank Centre[3]	**69,480**	70,408
Transfers from HRM[4]	—	594,453
Payments to Halifax Regional Municipality[5]	—	572,532
Rent revenue received from departments of PNS[6]	—	1,423,431
Transfers from Nova Scotia Department of Business[7]	—	7,049,312
Transfers from Nova Scotia Department of Business[8]	**2,898,462**	—
Transfers to PNS General Revenue Fund [9]	**11,617,475**	—
Net transactions from Events East[10]	—	32,138
Net transfers to Events East[11]	**95,242**	—
Net transactions from Scotiabank Centre [12]	**76,927**	—
Payroll payments made by PNS[13]	—	9,380,444

[1] Electricity expenses of the shared facility.

[2] Payroll and related costs of Scotiabank Centre were paid by the Company on behalf of Scotiabank Centre. Effective March 1, 2018, payroll payments were processed by Events East.

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

[4] Pursuant to the Financing Agreement dated May 14, 1982, HRM made an annual contribution to the operating deficit of the Company; arrangement expired upon closure of WTCC.

[5] Property taxes paid to HRM; this transaction no longer required in fiscal 2019 resulting from Office Tower sale.

[6] The Company rented significant office tower space to departments and agencies of the Province. The amount represents rental revenue and tenant recoveries. Leases were transferred to Armco effective April 1, 2018.

[7] Department of Business grant for sales and marketing of the new convention centre: nil [2018 – $1,451,354]; grant to fund client incentives related to delayed opening: nil [2018 – $1,032,281]; grants to support operational readiness: nil [2018 – $2,401,730]; smallwares equipment capital grant: nil [2018 – $2,163,947].

[8] Department of Business, PNS grant to fund the net deficit related to the TCL wind up.

[9] Net proceeds from Office Tower sale were transferred to the PNS general revenue fund.

[10] Events East and the Company had a variety of intercompany transactions related to establishing the opening balance for Events East, as well as general expenses paid by the Company on behalf of Events East.

[11] Events East and the Company had a variety of intercompany transactions related to allocation of general expenses, paid by Events East on behalf of the Company.

[12] Scotiabank Centre and the Company had a variety of intercompany transactions related to revenue recovery which were due to the Company from Scotiabank Centre.

[13] PNS processes payroll on behalf of the Company and invoices the Company; the 2018 amount represents payroll and related expenses for the period April 1, 2017 to February 28, 2018.

With the exception of bullets 8 and 9, these transactions were in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. Amounts due to/from related parties were without payment terms and were non-interest bearing.

Notes to financial statements

March 31, 2019

9. Transfers to Events East Group

Transfer of Ticket Atlantic to Events East

As discussed in note 1, Nature of operations, effective March 1, 2019, the Company transferred the assets and liabilities of Ticket Atlantic to Events East. No consideration was exchanged and amounts paid or payable by the Company on behalf of Events East were settled as intercompany transactions. All contractual obligations related to the Ticket Atlantic operations were assigned to Events East.

Below is a summary of the accounts and balances that were transferred to Events East from the Company:

	$
Cash	7,330
Restricted cash	4,062,500
Accounts receivable	201,927
Prepaid expenses	30,803
Accounts payable and accrued liabilities	(115,655)
Deferred revenue	(18,472)
Intercompany balances	(56,288)
Advance ticket sales	(4,112,145)
Transfer to Events East Group	—

Transfer of net TCL assets to Events East

As discussed in note 1, Nature of operations, substantial completion of the Halifax Convention Centre building triggered the shared financial accountability by HRM and PNS of the new convention centre operations. As such, effective March 1, 2018 the Company transferred convention centre assets to Events East. No consideration was exchanged and amounts paid or payable by the Company on behalf of Events East were settled as intercompany transactions. All contractual obligations related to the convention centre operations were assigned to Events East. Below is a summary of the accounts and balances that were transferred to Events East from the Company:

	$
Cash	16,498
Accounts receivable	1,645
Inventory for resale	152,191
Intercompany transactions	514,765
Tangible capital assets	1,068,672
Prepaid expenses	248,830
Deferred revenue	(48,580)
Accounts payable and accrued liabilities	(90,561)
Events deposits	(750,960)
Transfer to Events East Group	1,112,500

Subsequently, amendments to the shareholder funding arrangement were made, which required Events East to refund $564,499 to the Company, which was recognized as an intercompany receivable.

Notes to financial statements

March 31, 2019

10. Financial instruments

Measurement of financial instruments

The Company's financial instruments were recorded at cost or amortized cost. Financial assets consisted of assets that could be used to settle existing liabilities or fund future activities, and included cash and restricted cash, receivables from HRM, Scotiabank Centre, and Events East and general accounts receivable. Financial liabilities consisted of the Company's accounts payable and accrued liabilities, due to the Province, long-term service awards, and other liabilities. The carrying value of the Company's financial instruments approximated their fair value. Transaction costs were expensed as incurred.

Risks and uncertainties

The Company is no longer exposed to any risks as it has been liquidated.

11. Budgeted figures

Budgeted figures were not developed as the Company expected to wind up early in the year.