

**THE BAY WIND FIELD INC.  
FINANCIAL STATEMENTS**

(Unaudited)

**DECEMBER 31, 2020**

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**IFTL Chartered Professional Accountants Inc.**  
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**B4N 3E8**

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Shareholders of **The Bay Wind Field Inc.:**

We have reviewed the accompanying financial statements of **The Bay Wind Field Inc.** that comprise the balance sheet as at **December 31, 2020**, and the statements of income, retained earnings (deficit) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of **The Bay Wind Field Inc.** as at **December 31, 2020**, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

*IFTL Chartered Professional Accountants Inc.*

New Minas, Nova Scotia  
February 17, 2021

**THE BAY WIND FIELD INC.**  
**BALANCE SHEET**  
(Unaudited)

**AS AT DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<u><b>ASSETS</b></u>		
<b>CURRENT ASSETS</b>		
Cash	\$ 23,834	\$ 46,088
Accounts receivable	233	168
Short-term investments	85,091	13,010
Prepaid expenses	<u>370</u>	<u>370</u>
Total current assets	109,528	59,636
<b>LONG-TERM INVESTMENTS</b> (Note 3)	<u>1,056,623</u>	<u>1,056,623</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,166,151</u>	<u>\$ 1,116,259</u>
<u><b>LIABILITIES AND SHAREHOLDERS' EQUITY</b></u>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ <u>2,831</u>	\$ <u>2,507</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 4)	1,687,053	1,687,053
Retained earnings (deficit)	<u>(523,733)</u>	<u>(573,301)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>1,163,320</u>	<u>1,113,752</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>\$ 1,166,151</u>	<u>\$ 1,116,259</u>

Approved: \_\_\_\_\_

Approved: \_\_\_\_\_

**THE BAY WIND FIELD INC.**  
**STATEMENT OF INCOME AND RETAINED EARNINGS (DEFICIT)**  
(Unaudited)

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>REVENUE</b>		
Dividend income	\$ 67,441	\$ 53,953
Interest income	<u>81</u>	<u>2,879</u>
Total revenue	<u>67,522</u>	<u>56,832</u>
<b>EXPENSES</b>		
Administration fees	3,721	3,694
Directors fees	4,500	4,500
Insurance	2,100	2,000
Interest and bank charges	106	95
Office supplies	220	236
Professional fees	4,039	3,910
Travel	1,652	3,987
Website fees	<u>1,616</u>	<u>1,380</u>
Total expenses	<u>17,954</u>	<u>19,802</u>
<b>NET INCOME</b>	<u>\$ 49,568</u>	<u>\$ 37,030</u>
<b>RETAINED EARNINGS (DEFICIT)</b>		
Retained earnings (deficit), beginning of year	\$ (573,301)	\$ (613,489)
Gain on redemption of shares	-	3,158
Net income	<u>49,568</u>	<u>37,030</u>
<b>RETAINED EARNINGS (DEFICIT), END OF YEAR</b>	<u>\$ (523,733)</u>	<u>\$ (573,301)</u>

**THE BAY WIND FIELD INC.**  
**STATEMENT OF CASH FLOWS**  
(Unaudited)

**DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating</b>		
Net income	\$ 49,568	\$ 37,030
Change in		
Accounts receivable	(65)	15,980
Short-term investments	(72,081)	(10,010)
Accounts payable and accrued liabilities	<u>324</u>	<u>(2,135)</u>
	<u>(22,254)</u>	<u>40,865</u>
<b>Financing</b>		
Share redemption	<u>-</u>	<u>(1,550)</u>
<b>Investing</b>		
Increase in investments	-	(185,000)
Decrease in loans receivable	<u>-</u>	<u>130,000</u>
	<u>-</u>	<u>(55,000)</u>
Decrease in cash	(22,254)	(15,685)
Cash, beginning of year	<u>46,088</u>	<u>61,773</u>
<b>CASH, END OF YEAR</b>	<u>\$ 23,834</u>	<u>\$ 46,088</u>

**THE BAY WIND FIELD INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. NATURE OF OPERATIONS**

The Company invests in companies involved in the construction and operation of electrical generation facilities using wind turbines and is registered as a Community Economic Development Corporation under the Nova Scotia Equity Tax Credit Act.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and include the following significant accounting policies:

**Income taxes**

The Company applies the income taxes payable method of accounting for income taxes.

**Revenue recognition**

Revenues are recognized when reasonable certainty exists that interest, dividend or other revenues will be received.

**Use of estimates**

In preparing financial statements in accordance with Canadian accounting standards for private enterprises, management must make estimates such as useful life, the depreciation and amortization of assets and the evaluation of goodwill, that will affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the period as well as the amount of contingent assets and liabilities disclosed. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known, actual results may differ from these estimates.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

**Investments**

Investments are accounted for at cost.

**THE BAY WIND FIELD INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial Instruments**

Measurement of financial instruments

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, investments and loans receivable.

Financial liabilities measured at amortized cost include accounts payable.

None of the entity's financial assets are required to be measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The entity recognizes its transaction cost in net income in the period incurred. However financial instruments that will not be subsequently measured at fair value are adjusted by the transaction cost that are directly attributable to their organization, issuance or assumption.



**THE BAY WIND FIELD INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**3. LONG-TERM INVESTMENTS**

	<u>2020</u>	<u>2019</u>
2,702,455 shares of Renewable Energy Services Limited	\$ 498,696	\$ 498,696
1,326,783 shares of Scotian Windfields Inc.	509,474	509,474
1,348,815 shares of Scotian Wind Inc.	48,453	48,453
870,000 shares of Fourth Generation Capital Corporation Limited.	_____	_____
	<u>\$ 1,056,623</u>	<u>\$ 1,056,623</u>

The investments represent a portfolio of private investments for which the market value cannot be determined. The proportion of ownership interest for these investments cannot be determined as the information is not readily available.

During the 2012 year a \$150,000 investment in Fourth Generation Capital Corporation Limited was written down to \$0 based on management's estimate of fair value.

**4. SHARE CAPITAL**

**Issued Capital**

	<u>2020</u>	<u>2019</u>
37,799,729 Common shares	<u>\$ 1,687,053</u>	<u>\$ 1,687,053</u>

**5. RELATED PARTY TRANSACTIONS**

During the year the Company paid directors, who are also shareholders, \$3,721 (2019 - \$3,694) in administration fees.

**6. INCOME TAX LOSS CARRY FORWARD**

The Company has losses available for income tax purposes totaling \$322,757. This amount can be used to reduce taxable income of future years.

**THE BAY WIND FIELD INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**7. FINANCIAL INSTRUMENTS**

**a) Fair value of financial assets and financial liabilities**

Financial instruments of the Company consist mainly of accounts receivable, inventory, prepaid expenses, accounts payable, and income and other taxes payable. The carrying value of these financial instruments approximate their fair values unless otherwise indicated. The market value of some assets are not readily determinable as the assets are not publicly traded.

**b) Liquidity risk**

The Company considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

**c) Market risk**

The Company is exposed to interest rate risk on its fixed interest and variable interest financial instruments. Fixed interest instruments subject the Company to a fair value risk while variable interest instruments subject it to a cash flow risk.

**d) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity's main credit risk relates to its loans receivable.

**e) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The entity is exposed to other price risk through its investments.