

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

(Unaudited)

DECEMBER 31, 2023

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IFTL Chartered Professional Accountants Inc.
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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, 2023**, 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, 2023**, 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 22, 2024

THE BAY WIND FIELD INC.
BALANCE SHEET
(Unaudited)

AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 11,610	\$ 15,775
Accounts receivable	295	295
Short-term investments	341,945	248,170
Prepaid expenses	<u>370</u>	<u>370</u>
Total current assets	354,220	264,610
LONG-TERM INVESTMENTS (Note 3)	<u>1,056,623</u>	<u>1,056,623</u>
TOTAL ASSETS	<u>\$ 1,410,843</u>	<u>\$ 1,321,233</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ <u>2,301</u>	\$ <u>2,505</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	1,687,053	1,687,053
Retained earnings (deficit)	<u>(278,511)</u>	<u>(368,325)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,408,542</u>	<u>1,318,728</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 1,410,843</u>	<u>\$ 1,321,233</u>

Approved: _____

Approved: _____

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

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Dividend income- Scotian Wind Inc.	\$ 64,069	\$ 67,441
Dividend income- Scotian Windfields Inc.	39,791	26,527
Interest income	<u>7,445</u>	<u>2,381</u>
Total revenue	<u>111,305</u>	<u>96,349</u>
EXPENSES		
Administration fees	4,725	3,903
Directors fees	4,500	4,500
Insurance	2,310	2,100
Interest and bank charges	114	102
Office supplies	518	225
Professional fees	5,279	4,347
Travel	2,251	1,477
Website fees	<u>1,794</u>	<u>1,410</u>
Total expenses	<u>21,491</u>	<u>18,064</u>
NET INCOME	<u>\$ 89,814</u>	<u>\$ 78,285</u>
RETAINED EARNINGS (DEFICIT)		
Retained earnings (deficit), beginning of year	\$ (368,325)	\$ (446,610)
Net income	<u>89,814</u>	<u>78,285</u>
RETAINED EARNINGS (DEFICIT), END OF YEAR	<u>\$ (278,511)</u>	<u>\$ (368,325)</u>

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

DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED IN)		
Operating		
Net income	\$ 89,814	\$ 78,285
Change in		
Accounts receivable	-	(65)
Short-term investments	(93,775)	(77,381)
Accounts payable and accrued liabilities	<u>(204)</u>	<u>(1)</u>
	<u>(4,165)</u>	<u>838</u>
Increase (decrease) in cash	(4,165)	838
Cash, beginning of year	<u>15,775</u>	<u>14,937</u>
CASH, END OF YEAR	<u>\$ 11,610</u>	<u>\$ 15,775</u>

SUBJECT TO REVIEW ENGAGEMENT REPORT DATED FEBRUARY 22, 2024
SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

IFTL Chartered Professional Accountants Inc.

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

FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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

FOR THE YEAR ENDED DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are accounted for at cost.

Short-term investments

Short-term investments is made up of GICs that are deemed short-term in nature as their maturity date is less than one year.

Long-term investments

Refer to Note 3.

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, 2023

3. LONG-TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
2,702,455 class A voting shares of Renewable Energy Services Limited	\$ 498,696	\$ 498,696
1,326,783 common shares of Scotian Windfields Inc.	509,474	509,474
1,348,815 common 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>2023</u>	<u>2022</u>
37,799,729 Common shares	<u>\$ 1,687,053</u>	<u>\$ 1,687,053</u>

5. INCOME TAXES

The impact of differences between the Company's reported income tax expense on operating income and the expense that would otherwise result from the application of statutory rates is as follows:

	<u>2023</u>	<u>2022</u>
Income tax expense at the combined basic federal and provincial tax rate	\$ 34,350	\$ 30,009
Capital cost allowance claimed in excess of amortization	(76)	(192)
Net impact of non-capital losses applied against income	<u>(34,274)</u>	<u>(29,817)</u>
	<u>\$ -</u>	<u>\$ -</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2023

6. RELATED PARTY TRANSACTIONS

During the year the Company paid directors, who are also shareholders, \$4,213 (2022 - \$3,778) in administration fees.

7. INCOME TAX LOSS CARRY FORWARD

The Company has losses available for income tax purposes totaling \$78,939. This amount can be used to reduce taxable income of future years.

8. 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.

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

FOR THE YEAR ENDED DECEMBER 31, 2023

9. FUTURE DIVIDEND PAYMENTS TO SHAREHOLDERS

The directors of the company have decided not to declare a dividend until funds available for distribution is approximately \$400,000.