

**Financial Information Act (FIA) Statements**

**INNOVATE BC**

Year ended March 31, 2025

## **TABLE OF CONTENTS**

---

1. Statement of Financial Information Approval
2. Management Report
3. Audited Financial Statements for the fiscal year ended March 31, 2025
4. Schedule of Debts
5. Schedule of Guarantee and Indemnity Agreements
6. Schedule of Remuneration and Expenses
7. Statement of Severance Agreements
8. Schedule of Program Expenses and Disbursements
9. Schedule of Payments to Suppliers of Goods and Services

**INNOVATE BC**

**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

The undersigned represents the Board of Directors of Innovate BC and approves all the statements and schedules included in this Statement of Financial Information produced under the Financial Information Act.



---

Emilie de Rosenroll  
Chair, Board of Directors

September 15, 2025

*\* Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9*

**INNOVATE BC**  
**MANAGEMENT REPORT**  
**FISCAL YEAR ENDED MARCH 31, 2025**

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* has been prepared by management in accordance with Public Sector Accounting Standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, 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 is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit and Finance Committee of the Board. The Audit and Finance Committee meets with management and the external auditors at least once a year.

The external auditors, Grant Thornton, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of Innovate BC's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit and Finance Committee of the Board and meet with them on a regular basis.

On behalf of Innovate BC



---

Peter Cowan  
CEO + President  
September 15, 2025



---

Lawrence Davis  
Chief Financial Officer  
September 15, 2025

*\* Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9*



Financial statements

Innovate BC

March 31, 2025

# Contents

	<b>Page</b>
Statement of Management Responsibility	
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Accumulated Operating Surplus	4
Statement of Remeasurement Gains and Losses	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 16



## Statement of Management Responsibility

### *Scope of Responsibility*

Management has supervised preparation of the accompanying financial statements and related note disclosures and is responsible for their integrity and objectivity. The financial statements of Innovate BC have been prepared by management in accordance with Canadian public sector accounting standards.

We believe that these financial statements present fairly Innovate BC's financial position as at March 31, 2025 and the statement of operations and accumulated surplus, change in net financial assets, changes in net remeasurement gains and losses and cash flows for the year ending March 31, 2025 and that the other information contained in the entity's annual report is consistent with the financial statements as presented.

### *Internal Controls*

Management is responsible for the integrity of the financial statements and has established systems of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to facilitate the preparation of the financial statements in a timely manner. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change. We believe our system of internal accounting controls provide reasonable assurance that errors or irregularities that would be material to the financial statements are prevented or detected in the normal course of business.

### *Board of Directors and Audit and Finance Committee*

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's discharge of its financial reporting responsibilities. An Audit and Finance Committee is appointed by the Board. The Audit and Finance Committee reviews the financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit and Finance Committee has reviewed these statements prior to recommending approval by the Board of Directors. The Board of Directors has reviewed and approved the financial statements.

### *Independent Auditors*

Doane Grant Thornton has performed an independent audit of the financial statements of Innovate BC. The Auditor's Report, as attached, outlines the scope of this independent audit and expresses an opinion on the financial statements of Innovate BC.

A handwritten signature in black ink, appearing to read "Lawrence Davis".

---

Lawrence Davis  
CFO

A handwritten signature in black ink, appearing to read "Lily Sui".

---

Lily Sui  
Director, Finance

Vancouver, British Columbia  
May 15, 2025

# Independent Auditor's Report

---

Doane Grant Thornton LLP  
20th Floor  
733 Seymour Street  
Vancouver, BC  
V6B 0S6  
T +1 604 687 2711  
F +1 604 685 6569

To the Board of Directors of **Innovate BC**

To the Ministry of Jobs, Economic Development and Innovation (“JEDI”)

## Opinion

We have audited the financial statements of Innovate BC, which comprise the statement of financial position as at March 31, 2025, and the statements of operations and accumulated operating surplus, statement of remeasurement gains and losses, changes in net financial assets and 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 Innovate BC as at March 31, 2025, and its results of operations, its changes in its net financial assets, net remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for 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 Innovate BC 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 these 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 Innovate BC's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Innovate BC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Innovate BC'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 Innovate BC'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 Innovate BC's '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 Innovate BC 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.

*Doane Grant Thornton LLP*

Chartered Professional Accountants

Vancouver, Canada  
May 15, 2025

# Innovate BC


## Statement of Financial Position

March 31	2025	2024 (Note 16)
<b>Financial assets</b>		
Cash and cash equivalents	\$ 7,802,509	\$ 8,416,471
Investments (Note 3)	7,267,287	6,143,996
Accounts receivable and accrued interest receivable	110,208	15,395
Accounts receivable from Provincial Government	413,831	-
Accounts receivable from Federal Government	4,019,172	530,512
	<u>19,613,007</u>	<u>15,106,374</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,374,584	3,389,513
Accounts payable to Provincial Government	2,185,290	259,507
Deferred program revenues (Note 6)	344,875	149,533
Deferred revenue from NRAS endowment (Note 7)	6,353,810	4,398,655
	<u>13,258,559</u>	<u>8,197,208</u>
<b>Net financial assets</b>	<u>6,354,448</u>	<u>6,909,166</u>
<b>Non-financial assets</b>		
Restricted - NRAS endowment investments (Note 7)	53,167,521	51,209,906
Tangible capital assets (Note 4)	660,015	161,303
Prepaid expenses	183,174	87,773
	<u>54,010,710</u>	<u>51,458,982</u>
<b>Accumulated surplus (Note 5)</b>	<u>\$ 60,365,158</u>	<u>\$ 58,368,148</u>
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	\$ 57,197,637	\$ 57,158,242
Accumulated remeasurement gains	3,167,521	1,209,906
	<u>\$ 60,365,158</u>	<u>\$ 58,368,148</u>

Commitments and contingencies (Note 8)  
Contractual obligations (Note 9)

On behalf of the Board of Directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# Innovate BC

## Statement of Operations and Accumulated Operating Surplus

2024

Year ended March 31	Budget 2025	2025	(Note 16)
<b>Revenue</b>			
Grants from the Province of British Columbia (Note 12)	\$ 12,794,000	\$ 17,980,858	\$ 18,159,831
Grants from the Federal Government	9,380,000	7,546,898	822,653
NRAS endowment (Note 7)	1,700,000	1,274,811	1,842,753
Service Revenue from the Government of Canada	-	686,383	18,000
Investment income	400,000	605,561	595,074
Other	120,000	273,779	507,616
	<u>24,394,000</u>	<u>28,368,290</u>	<u>21,945,927</u>
<b>Expenses (Note 13)</b>			
Programs and initiatives	19,779,698	24,254,987	17,658,224
Operational and administrative expenses	2,914,302	2,799,097	2,426,443
NRAS endowment funds	1,700,000	1,274,811	1,842,753
	<u>24,394,000</u>	<u>28,328,895</u>	<u>21,927,420</u>
Annual surplus	-	39,395	18,507
Accumulated surplus, beginning of year	<u>57,158,242</u>	<u>57,158,242</u>	<u>57,139,735</u>
Accumulated surplus, end of year	<u>\$ 57,158,242</u>	<u>\$ 57,197,637</u>	<u>\$ 57,158,242</u>

---

**Innovate BC****Statement of Remeasurement Gains and Losses**

Year ended March 31	2025	2024
Accumulated remeasurement gains (losses), beginning of year	\$ 1,209,906	\$ (1,649,811)
Unrealized gains on investments	3,086,092	3,342,999
Realized gains on investments reclassified to statement of financial position as deferred revenue from NRAS	<u>(1,128,477)</u>	<u>(483,282)</u>
Net remeasurement gains for the year	<u>1,957,615</u>	<u>2,859,717</u>
Accumulated remeasurement gains, end of year	<u>\$ 3,167,521</u>	<u>\$ 1,209,906</u>

---

---

**Innovate BC****Statement of Changes in Net Financial Assets**

Year ended March 31	Budget 2025	2025	2024
Annual surplus	\$ -	\$ 39,395	\$ 18,507
Additions to tangible capital assets	(50,000)	(568,187)	(74,270)
Amortization of tangible capital assets	-	50,507	50,887
Disposition of tangible capital assets	-	766,738	3,762
Accumulated amortization of disposition	-	(747,770)	(3,662)
	<u>(50,000)</u>	<u>(459,317)</u>	<u>(4,776)</u>
Acquisition of prepaid expenses	-	(218,156)	(67,303)
Use of prepaid expenses	-	122,755	59,550
	<u>-</u>	<u>(95,401)</u>	<u>(7,753)</u>
Change in net financial assets	(50,000)	(554,718)	(12,529)
Net financial assets, beginning of year	<u>6,909,166</u>	<u>6,909,166</u>	6,921,695
Net financial assets, end of year	<u>\$ 6,859,166</u>	<u>\$ 6,354,448</u>	<u>\$ 6,909,166</u>

---

# Innovate BC

## Statement of Cash Flows

Year ended March 31	2025	2024
Cash derived from (applied to)		
<b>Operating activities</b>		
Operating surplus	\$ 39,395	\$ 18,507
Adjustments for items not affecting cash		
Amortization of tangible capital assets	50,507	50,887
Loss on disposal of tangible capital assets	18,968	100
	<u>108,870</u>	<u>69,494</u>
Changes in non-cash working capital items		
Accounts receivable	(3,997,304)	282,742
Prepaid expenses	(95,401)	(7,753)
Accounts payable and accrued liabilities	2,910,854	1,389,904
Deferred program revenues	195,342	(1,445,681)
Deferred revenue from NRAS endowment	1,955,155	618,117
	<u>1,077,516</u>	<u>906,823</u>
<b>Financing</b>		
Purchase of tangible capital assets	<u>(568,187)</u>	<u>(74,270)</u>
<b>Investments</b>		
Purchase of investments	(23,131,598)	(29,320,693)
Proceeds on maturity of investments	22,008,307	30,647,913
	<u>(1,123,291)</u>	<u>1,327,220</u>
Net (decrease) increase in cash	(613,962)	2,159,773
Cash and cash equivalents, beginning of year	<u>8,416,471</u>	<u>6,256,698</u>
Cash and cash equivalents, end of year	\$ <u>7,802,509</u>	\$ <u>8,416,471</u>
<b>Cash and cash equivalents</b>		
Unrestricted	\$ 3,195,258	\$ 4,297,870
Restricted - deferred programs (Note 6)	344,875	149,533
Restricted - NRAS endowment (Note 7)	4,262,376	3,969,068
	\$ <u>7,802,509</u>	\$ <u>8,416,471</u>

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

---

### 1. Nature of operations

Innovate BC was established on March 15, 2018, by an amendment of the British Columbia Innovation Council Act to the Innovate BC Act (the “Act”). Prior to March 15, 2019, Innovate BC was known as British Columbia Innovation Council (the “Council”). The Council was established in 2006 by an amendment of the Innovation and Science Council Act to the British Columbia Council Act.

Innovate BC is governed by a Board of Directors, appointed by the provincial government of British Columbia (the “Province”). Innovate BC is exempt from the payment of income taxes under Section 149 of the Income Tax Act.

Under Section 13 of the Act, the directors, officers, and employees of Innovate BC have certain immunities in the exercise of their duties carried out in the connection with Innovate BC.

A Crown Agency of British Columbia, Innovate BC works to foster innovation across the province and bolster the growth of the local economy through delivering a wide range of programs that help companies start and scale, access talent and encourage technology development, commercialization, and adoption. Innovate BC also harnesses crucial data collection and research, and works to forge strategic industry and community partnerships that create more opportunities for B.C. innovators.

---

### 2. Summary of significant accounting policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards (“PSAS”) established by the Canadian Public Sector Accounting Board.

#### Cash and cash equivalents

Cash and cash equivalents include all balances held at banks and investments with a term to maturity of 90 days or less at the date of acquisition.

#### Revenue recognition

Unrestricted contributions are recorded as revenue when received or receivable, if the amounts can be estimated and collection is reasonably assured. Other unrestricted revenue, including sales of services, are reported as revenue at the time the services are provided, or the goods delivered.

Investment income on unrestricted assets is recognized as revenue when it is earned. Investment income that is subject to external restrictions is deferred and recognized as revenue in the year in which the related expense is incurred.

Transfers from governments with restrictions are deferred and recognized as revenue when they are spent in accordance with the stipulations in the related agreements. Transfers from governments without restrictions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as revenue when received. Investment income earned from restricted cash and investments related to the endowment funds are deferred and recognized as revenue when they are spent or disbursed in accordance with the restrictions of the endowment.

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

---

### 2. Summary of significant accounting policies (continued)

#### Revenue recognition (continued)

Contributions externally restricted for non-capital specific purposes are recorded as deferred revenue and recognized as revenue in the year in which the stipulations are met.

#### Budget figures

The budget figures presented in these financial statements are based on the fiscal year 2025 operating budget, approved by the Board of Directors on February 12, 2024.

#### Financial instruments

Financial instruments are classified into two categories: fair value or amortized cost.

Investments in fixed income securities, which include investments with original terms to maturity of greater than 90 days, are recorded at amortized cost plus accrued interest, which approximates market value. Income on these investments is recognized in the Statement of Operations and Accumulated Surplus over the period of time the investments are held, except for those that are restricted in use. The income from investments that are restricted in use are included within deferred revenue and recognized in the Statement of Operations and Accumulated Surplus when restrictions are satisfied.

The restricted Natural Resources and Applied Science Research Endowment (“NRAS”) endowment investments portfolio held with British Columbia Investment Management Corporation, which includes investments in various equity funds, is recorded at market value.

Investments in privately-held corporations are recorded at a nominal market value.

Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

Other financial instruments such as cash and cash equivalents, receivables and accounts payable and accrued liabilities, are recorded at amortized cost, which approximate their fair value due to their short-term maturities.

#### Tangible capital assets

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributed to acquisition, construction, development, or betterment of the asset. The historical cost, less residual value, of the tangible capital assets is amortized commencing at the time the asset is available for use based on the methods and rates as shown in the schedule below:

Furniture, fixtures and equipment	20% declining balance
Computer hardware and software	33% declining balance
Leasehold improvements	Straight line over the lesser of the term of the lease and the useful life of the asset

When events or circumstances indicate that a tangible capital asset no longer has any long-term service potential, the net carrying amount is written down to the residual value of the asset.

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

---

### 2. Summary of significant accounting policies (continued)

#### Prepaid expenses

Prepaid expenses are recorded at cost and amortized over the period where the benefits are received.

#### Employee future benefits

Innovate BC accrues employee vacation entitlements, included in accounts payable and accrued liabilities. Innovate BC is a member of the Public Service Pension Plan (Note 11). Defined contribution plan accounting is applied to the multi-employer defined benefit plan and, accordingly, contributions are expensed when paid or payable.

#### Use of estimates

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. The significant areas requiring the use of management estimates include the determination of useful lives of tangible capital assets for amortization and the accrual of liabilities. When actual results differ from the estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

---

### 3. Investments

Innovate BC's investments are invested through Vancouver City Savings Credit Union ("Vancity"), RBC Dominion Securities Inc. ("RBCD") and British Columbia Investment Management Corporation ("BCI").

Investments include the following:

	<u>2025</u>	<u>2024</u>
Unrestricted	\$ 5,175,853	\$ 5,714,409
Restricted - NRAS endowment	<u>2,091,434</u>	<u>429,587</u>
	<u>\$ 7,267,287</u>	<u>\$ 6,143,996</u>

Included in unrestricted investments are shares of previous British Columbia Advanced Systems Foundation ("ASI") program participant private corporations received in exchange for all or a portion of loan or royalty interests. As at March 31, 2025, Innovate BC has assessed these shares of privately-held corporations to have nominal market value of \$1 each for each company shareholding. The estimated market value of the long-term investments as at March 31, 2025 is \$5 (2024 - \$5).

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

### 4. Tangible capital assets

<b>Cost</b>	<u>2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>2025</u>
Furniture, fixtures and equipment	\$ 307,342	\$ 37,630	\$ 184,112	\$ 160,860
Leasehold improvements	169,859	91,082	169,859	91,082
Computer hardware and software	506,464	439,475	412,767	533,172
	<u>\$ 983,665</u>	<u>\$ 568,187</u>	<u>\$ 766,738</u>	<u>\$ 785,114</u>
<b>Accumulated Amortization</b>	<u>2024</u>	<u>Amortization</u>	<u>Disposals</u>	<u>2025</u>
Furniture, fixtures and equipment	\$ 244,920	\$ 14,081	\$ 176,983	\$ 82,018
Leasehold improvements	156,072	17,040	169,859	3,253
Computer hardware and software	421,370	19,386	400,928	39,828
	<u>\$ 822,362</u>	<u>\$ 50,507</u>	<u>\$ 747,770</u>	<u>\$ 125,099</u>
<b>Net book value</b>	<u>2024</u>			<u>2025</u>
Furniture, fixtures and equipment	\$ 62,422			\$ 78,842
Leasehold improvements	13,787			87,829
Computer hardware and software	85,094			493,344
	<u>\$ 161,303</u>			<u>\$ 660,015</u>

### 5. Accumulated surplus

Accumulated surplus is comprised of the following:

	<u>2025</u>	<u>2024</u>
Invested in tangible capital assets	\$ 660,015	\$ 161,303
NRAS endowment	50,000,000	50,000,000
Remeasurement gains	3,167,521	1,209,906
Unrestricted	6,537,622	6,996,939
	<u>\$ 60,365,158</u>	<u>\$ 58,368,148</u>

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

### 6. Deferred program revenues

	2024	Funds received	Funds expended	2025
On-Farm Technology Adoption	\$ 149,533	\$ 2,220,000	\$ (2,112,858)	\$ 256,675
Transport Canada	-	743,750	(686,383)	57,367
Capital Compass	-	63,333	(43,750)	19,583
AccelerateIP	-	135,000	(123,750)	11,250
	<u>\$ 149,533</u>	<u>\$ 3,162,083</u>	<u>\$ (2,966,740)</u>	<u>\$ 344,875</u>

Deferred funds for BC On-Farm Technology Adoption are restricted for future program expenses.

### 7. Natural Resources and Applied Science Research Endowment

In fiscal year 2006, Innovate BC was charged with stewarding an endowment contribution of \$50,000,000 from the Ministry of Economic Development. Investment earnings are restricted for the support of training, research and development in natural resources and applied sciences.

As at March 31, 2025, restricted cash and investments are comprised of the following:

	2025	2024
BCI investments in equity funds	\$ 53,167,521	\$ 39,281,254
Invested in fixed income securities	-	11,928,652
Permanently restricted NRAS endowment investments	53,167,521	51,209,906
Unspent interest earnings	6,353,810	4,398,655
	<u>\$ 59,521,331</u>	<u>\$ 55,608,561</u>

Deferred revenue from the NRAS endowment balance comprises the following:

	2025	2024
Accumulated interest, beginning of year	\$ 4,398,655	\$ 3,780,538
Interest earned net of fees	2,101,489	1,977,588
Realized gains	1,128,477	483,282
Awards and administration fees	(1,274,811)	(1,842,753)
Accumulated interest, end of year	<u>\$ 6,353,810</u>	<u>\$ 4,398,655</u>

Unspent interest includes \$1,880,000 (2024 - \$1,562,350) which is committed for future payments of contracted awards (Note 9). During the year ended March 31, 2025, Innovate BC paid Ignite Awards totaling \$1,775,000 (2024 - \$1,630,000) to research projects in natural resources and applied sciences, of which \$1,070,000 (2024 - \$1,630,000) was from NRAS deferred revenue and the balance of \$705,000 (2024 - \$nil) is from core funding revenue.

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

---

### 8. Commitments and contingencies

#### (a) Operating leases

Innovate BC has entered into operating leases for their premises and certain office equipment. Total estimated lease payments up to the end of the lease terms are as follows:

2026	\$	157,076
2027		155,507
2028		155,507
2029		155,507
2030		77,754
		<hr/>
	\$	701,351

#### (b) Contingencies

From time to time, Innovate BC is subject to certain legal proceedings and claims which arise in the ordinary course of business. The outcome of such claims is undeterminable at this time and accordingly no provision has been made for these claims.

---

### 9. Contractual obligations

Innovate BC has entered into a number of project grant contracts as at March 31, 2025, to provide future funding of research projects to be completed subsequent to year-end. These contractual obligations are funded in installments and payments are due based on the satisfaction of conditions included in the contracts. As such, no liability has been accrued in the financial statements as Innovate BC is not liable for payments until these conditions have been met.

The contractual obligations of Innovate BC are as follows:

	<u>2025</u>	<u>2024</u>
HDZEV	\$ 3,121,517	\$ -
Ignite awards	1,880,000	1,562,350
Integrated Marketplace Initiative	281,936	2,793,270
BC On Farm Technology Adoption Program	131,847	91,369
BC Fast Pilot	42,000	-
Venture Acceleration Program	-	334,000
	<hr/>	<hr/>
	\$ 5,457,300	\$ 4,780,989

---

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

---

### 10. Contractual rights

Innovate BC has entered into program and lease contracts with the Province of British Columbia and third parties, and are entitled to receive payments to the end of the contract terms as follows:

2026	\$ 9,030,107
2027	1,110,646
2028	34,136
2029	34,780
2030	18,000
	<hr/>
	\$ 10,227,669

---

### 11. Employee future benefits

Innovate BC and its employees contribute to the Public Service Pension Plan (the "Plan") in accordance with the Public Sector Pension Plans Act (the "Act"). The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. As the Plan is a multi-employer, defined benefit plan, Innovate BC accounts for its payments on the basis of a defined contribution plan. The Plan covers approximately 71,000 active employees.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4,491,000,000 for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026, with results available in early 2027.

During the year ended March 31, 2025, Innovate BC expensed \$187,901 (2024 - \$175,979) for contributions to the Plan.

---

### 12. Related party transactions

Innovate BC is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended March 31, 2025, Innovate BC received \$15,368,000 (2024 - \$14,526,150) in provincial funding from the Ministry of Jobs, Economic Development and Innovation, \$2,220,000 (2024 - \$2,188,000) in provincial funding from the Ministry of Agriculture and Food and \$500,000 (2024 - nil) in provincial funding from the Ministry of Energy and Climate Solutions.

---

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

---

### 13. Expenses by object

The following is a summary of expenses by object:

	<u>2025</u>	<u>2024</u>
Program expenses and disbursements	\$ 23,523,984	\$ 17,753,986
Salaries and benefits	3,538,179	3,059,538
Office expenses and other costs	481,064	446,330
Rent	370,312	384,846
Contracted services	346,181	231,835
Amortization	50,507	50,887
Loss on disposal of assets	18,668	-
	<u>\$ 28,328,895</u>	<u>\$ 21,927,420</u>

---

### 14. Financial risk management

#### Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligation resulting in a financial loss. For cash and cash equivalents and receivables, Innovate BC's credit risk is limited to the carrying value on the statement of financial position. Management does not believe that Innovate BC is subject to any significant concentration of credit risk. There have been no changes to the risk exposure from the prior year.

#### Liquidity risk

Liquidity risk is the risk that Innovate BC is not able to meet its financial obligations on a timely basis or at a reasonable cost. Innovate BC has established budget processes and regularly monitors cash flows to ensure the necessary funds are on hand to fulfill upcoming obligations. There have been no changes to the risk exposure from the prior year.

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect Innovate BC's income. Innovate BC utilizes market risk management to control market risk exposures to within acceptable parameters while optimizing the return on risk. Innovate BC is exposed to market risk on its investments with BCI.

---

---

# Innovate BC

## Notes to the Financial Statements

March 31, 2025

---

### 15. Fair value of financial instruments

Canadian public sector accounting standards define the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination.

The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Innovate BC's investments are all considered to be level 1 and level 2 financial instruments. Changes in fair valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there was no transfer of securities between the different levels.

Innovate BC's investments are invested mainly through British Columbia Investment Management Corporation, Vancouver City Savings Credit Union and Toronto-Dominion Canada Trust.

---

### 16. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation. This reclassification does not affect the net amount of the annual surplus.

---

**INNOVATE BC  
SCHEDULE OF DEBTS  
FOR THE YEAR ENDED MARCH 31, 2025**

This organization has no debts under the Financial Information Act.

*\* Prepared pursuant to the Financial Information Regulation, Schedule 1, section 4*

**INNOVATE BC  
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

*\* Prepared pursuant to the Financial Information Regulation, Schedule 1, section 5*

**INNOVATE BC  
SCHEDULE OF REMUNERATION AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2025**

1. Elected Officials, Employees appointed by Cabinet and Members of the Board of Directors

Name	Position	Remuneration*	Expenses**
Andrew Petter	Former Chair, Board of Directors	1,469	2,342
Ashley Ramsay	Chair, Board of Directors	2,075	2,804
Dan Breznitz	Director	4,150	6,772
Edoardo DeMartin	Director	3,894	422
Elicia Maine	Director	-	1,055
Emilie de Rosenroll	Director	10,600	12,179
Jameel Sayani	Director	6,862	2,539
Lauren Kelly	Director	4,500	422
Lesley Esford	Director	1,069	-
Marilyn Mauritz	Director	3,288	941
Michael Ferguson	Director	781	-
Tom Nyberg	Director	5,075	703
Total: members of the Board of Directors (A)		<b>\$ 43,763</b>	<b>\$ 30,179</b>

\*These approved expenses include reimbursement mainly for travel to and from board meetings and Innovate BC events.

2. Other Employees

Name	Remuneration	Expenses
Anna Biesiada-Panas	195,619	2,144
Atefeh Taghavi	85,044	1,929
Bryan Wattie	107,000	7,538
Fernanda Whitaker	120,606	2,260
Jinny Wu	135,944	8,603
Lily Sui	100,662	2,512
Lucie Hiltner	145,000	40,937
Maggie Chan	105,270	1,384
Michael Gleboff	79,715	950
Peter Cowan	263,000	42,684
Sarah De Rham	83,333	28,772
Sheila Schindel	154,109	18,754
Shirley Nand	80,250	739
Sonali Sharma	101,346	611
Supreet Kaur	75,179	1,245
Tomica Divic	194,641	13,968
<b>Total</b>	<b>\$2,026,718</b>	<b>\$175,030</b>
Total employees with remuneration greater than \$75,000	\$2,026,718	\$175,030
Total employees with remuneration of \$75,000 or less	\$866,465	\$37,968
<b>Total remuneration - other employees (B)</b>	<b>\$2,893,183</b>	<b>\$212,998</b>

3. Reconciliation

Total: members of the Board of Directors (A)	<b>43,763</b>
Total remuneration – other employees (B)	<b>2,893,183</b>
Total remuneration – (A) + (B)	<b>\$ 2,936,946</b>
Other benefits not included above	
Receiver General: CPP and EI	<b>159,870</b>
Pension benefits	<b>238,877</b>
Other benefits	<b>246,249</b>
Total remuneration (A) + (B) + Benefits	<b>\$3,581,942</b>
Audited FS salaries and benefits	<b>\$3,538,179</b>
BOD remuneration	<b>43,763</b>
Total	<b>\$3,581,942</b>
Difference	-

**INNOVATE BC  
STATEMENT OF SEVERANCE AGREEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025**

There was one severance agreement between Innovate BC and its non-unionized employee during fiscal year 2024/2025.

**This agreement represents eight months of compensation\*.**

\* “Compensation” means payment was determined based on individual’s base salary.

*\* Prepared pursuant to the Financial Information Regulation, Schedule 1, section 6*

**INNOVATE BC**  
**SCHEDULE OF PROGRAM EXPENSES AND DISBURSEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

<b>Program Expenses and Disbursements exceeding \$25,000</b>	
Accelerate Okanagan	290,000
AlinBC	95,000
Algafilm Technologies Ltd.	42,000
AltaGas	81,000
Altimus Design Inc.	42,000
And Sons Creative Inc.	27,045
Arendsdale Dairy Ltd	100,000
Barnhart Ranch Ltd.	26,259
BarrelWise Technologies Ltd.	40,000
BCTECH Association	296,000
Borden Ladner Gervais	46,000
Brooknook Farms Ltd	48,012
Browns Bay Packing Company	100,000
CDL-Vancouver	125,000
Cedarwal Farms Ltd.	78,443
City of Prince Rupert	500,000
Conation Farms Ltd.	100,000
Country Charm Farms Ltd	88,395
Cross Roads Dairy Farms Ltd.	63,156
D&R Wall Ltd.	69,075
DigiBC Inc.	235,000
EVL Nurseries Ltd	100,000
FireSwarm Solutions Inc.	42,000
Flash Forest	100,000
Foresight CAC	477,500
Gat Leedm Logistics Ltd.	1,955,207
General Fusion	200,000
Gitxaala Operations Limited Partnership	403,520
Gowling WLG	57,722
Heppell Potato Corp	100,000
Hermatt Dairy Farms Ltd	28,855
Hubspace (ICS)	209,950
Hydra Energy Corporation	129,368
Hydron Energy	41,000
Ideon Technologies	150,000
Kamloops Innovation Centre Society	180,000
KAST ACH	140,000
Kelowna Flightcraft Ltd.	143,360
Kevin Van Kalkeren	37,032

KPMG LLP, T4348	53,557
Lawson Lundell LLP	202,968
LifeSciences B.C. Society	300,000
Mardelen Holsteins Ltd	36,949
McMillan LLP	138,000
Ministry of Jobs, Economic Development and Innovation	191,996
Minpraxis Solutions	150,000
Mitacs ACH	50,000
Momentive Europe UC (SurveyMonkey)	26,039
New Ventures BC Society	427,011
North Crawford Farms Ltd.	50,000
Northland Farms	100,000
Nuport	378,754
Oyen Wiggs Green & Mutala LLP	83,000
Pacific Pilotage Authority (PPA Marine Labs)	717,500
Pannu Blue Berry Estate	100,000
Pecuniam Capto Dairy Ltd	36,525
Pelorus Law Corporation	50,051
Pemberton Valley Farms LTD.	74,592
Peqish Group, Food and Hospitality Inc.	150,000
pH7 Technologies Inc.	43,000
PKM Canada Marine Terminal	288,000
Prince Rupert Port Authority	1,000,000
Promag Enviro Systems Ltd.	42,000
Provincial Health Services Authority (PHSA)	4,503,703
Quails' Gate Vineyards Estate Winery Ltd.	100,000
Quiks Farm Ltd	100,000
River Dale Dairy Ltd.	100,000
Rockburst Technologies Inc.	120,000
Royal Columbian Hospital Foundation	287,000
Sahota Farms Ltd.	100,000
Sheer Simple Laboratories Inc.	42,000
Simon Fraser University	747,500
Strategic Aviation Services	181,547
The Alacrity Foundation of B.C.	1,350,000
The University of British Columbia (UBC)	450,000
Tymac Launch Services	1,000,000
University of Victoria (UVic)	35,000
UVX Inc.	42,000
Van Eekelen Enterprises Ltd.	75,000
Vancouver Airport Authority (YVR)	1,306,309
Vancouver Fraser Port Authority	171,653
Velocity Truck Centres	35,026
VIATEC	280,000

VIFC Limited Partnership	177,000
Village Ranch Ltd	100,000
Voxelis Canada Corporation	40,000
Westcan Greenhouses Ltd	100,000
<b>Total</b>	<b>\$23,121,578</b>
Consolidated and distributed to suppliers who received \$25,000 or less	\$402,405
<b>Total Program Expenses</b>	<b>\$23,523,983</b>

**INNOVATE BC  
SCHEDULE OF SUPPLIERS  
FOR THE YEAR ENDED MARCH 31, 2025**

Program Expenses and Disbursements	\$23,523,983
<u>Payments for goods and services exceeding \$25,000</u>	
Amortization	50,507
Axis Insurance Managers	26,396
B2B Gold Back River Corp.	61,199
BC Pension Corporation (Employer Portion)	238,877
CBRE Limited	32,816
Employee's salaries and benefits	2,962,731
Engaged HR	71,368
FullTech Systems Inc.	75,441
GWL Realty Advisors Inc.	310,301
Hubspot, Inc.	34,113
Lawson Lundell LLP	33,280
Minister of Finance and Corp. Relations	171,470
Public Service Long Term Disability	38,665
Receiver General	159,870
Robert Half	54,745
Saturn Capital Corporation	110,983
Total	\$4,432,762
Payments for goods and services of \$25,000 and under	\$372,150
<b>Total Expenses</b>	<b>\$23,328,895</b>