

Consolidated Financial Statements of

**BC IMMIGRANT INVESTMENT
FUND LTD.**

Year Ended March 31, 2010


BC Immigrant Investment Fund Ltd.


Statement of Management Responsibility

Management, in accordance with Canadian generally accepted accounting principles, has prepared the consolidated financial statements of BC Immigrant Investment Fund Ltd. These statements present fairly the financial position of the Corporation as at March 31, 2010 and results of its operations for the year then ended.

Management is responsible for the preparation, integrity and objectivity of the consolidated financial statements. Systems of internal control are developed and maintained by management to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide a reliable basis for preparation of the financial statements.

The Auditor General of British Columbia has performed an independent audit of the consolidated financial statements. The Report of the Auditor General outlines the scope of his audit and his opinion on the consolidated financial statements of BC Immigrant Investment Fund Ltd.



Brian Hansen
President

Terry Gefinas
Comptroller

Victoria, British Columbia



Report of the Auditor General of British Columbia

*To the Board of Directors of
BC Immigrant Investment Fund Ltd., and*

*To the Minister of Small Business, Technology and Economic Development
Province of British Columbia:*

I have audited the consolidated balance sheet of *BC Immigrant Investment Fund Ltd.* as at March 31, 2010, and the consolidated statements of income, comprehensive income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the consolidated financial position of *BC Immigrant Investment Fund Ltd.* as at March 31, 2010, and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
May 21, 2010*

John Doyle, MBA, CA
Auditor General

BC IMMIGRANT INVESTMENT FUND LTD.

CONSOLIDATED BALANCE SHEET

(in \$000)

MARCH 31, **2010** **2009**

ASSETS

CURRENT

Cash	7,502	3,111
Short-term investments	112,397	232,809
Prepaid expenses	6	5
Current portion of loans receivable <i>(Note 5)</i>	10,743	1,958

130,648 237,883

LOANS RECEIVABLE *(Note 5)*

168,786 83,218

VENTURE INVESTMENTS *(Note 6)*

14,081 7,610

313,515 328,711

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	70	151
Current portion of promissory notes <i>(Note 7)</i>	57,263	61,997

57,333 62,148

PROMISSORY NOTES *(Note 7)*

231,948 224,967

289,281 287,115

SHAREHOLDER'S EQUITY

SHARE CAPITAL *(Note 8)*

- -

RETAINED EARNINGS

24,234 41,596

24,234 41,596

313,515 328,711

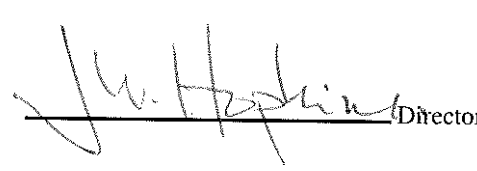
COMMITMENTS AND SUBSEQUENT EVENTS *(Note 9)*

ECONOMIC DEPENDENCE *(Note 12)*

Approved by the Board:

 Director

See accompanying notes

 Director

BC IMMIGRANT INVESTMENT FUND LTD.**CONSOLIDATED STATEMENT OF INCOME, COMPREHENSIVE INCOME AND RETAINED EARNINGS***(in \$000)*

YEAR ENDED MARCH 31,	2010	2009
REVENUE		
Investment income	4,297	4,729
Interest income	5,150	4,401
	<u>9,447</u>	<u>9,130</u>
EXPENSES		
Advertising and promotion	32	87
Amortization of promissory note discount	4,079	3,996
Investment fees	254	205
Office and business expenses	62	71
Professional fees	382	315
	<u>4,809</u>	<u>4,674</u>
INCOME FROM OPERATIONS	4,638	4,456
OTHER INCOME		
Foreign exchange gain (loss)	(21,523)	20,732
Unrealized gain (loss) on held-for-trading investments	(477)	182
	<u>(22,000)</u>	<u>20,914</u>
NET INCOME (LOSS) FOR THE YEAR, BEING COMPREHENSIVE INCOME	(17,362)	25,370
RETAINED EARNINGS, beginning of year	41,596	16,226
RETAINED EARNINGS, end of year	<u>24,234</u>	<u>41,596</u>

See accompanying notes

BC IMMIGRANT INVESTMENT FUND LTD.**CONSOLIDATED CASH FLOW STATEMENT***(in \$000)*

YEAR ENDED MARCH 31,	2010	2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income (loss) for the year	(17,362)	25,370
Changes in non-cash working capital		
Accounts receivable	-	7
Prepaid expenses	-	(5)
Loans receivable	(94,353)	1,827
Venture investments	(6,471)	(5,493)
Accounts payable and accrued liabilities	(82)	82
	<hr/>	<hr/>
Cash flows from (used in) operating activities	(118,268)	21,788
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in promissory notes	2,247	30,677
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(116,021)	52,465
CASH AND SHORT-TERM INVESTMENTS - beginning of the year	235,920	183,455
	<hr/>	<hr/>
CASH AND SHORT-TERM INVESTMENTS - end of year	119,899	235,920
	<hr/> <hr/>	<hr/> <hr/>
 CASH AND SHORT-TERM INVESTMENTS is comprised of the following:		
Cash	7,502	3,111
Short-term investments	112,397	232,809
	<hr/>	<hr/>
	119,899	235,920
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

1. NATURE OF BUSINESS

BC Immigrant Investment Fund Ltd. (the "Corporation") was incorporated on September 19, 2000 under the laws of British Columbia and is wholly owned by the Province of British Columbia.

The Corporation is an approved fund under the Federal Immigrant Investor Program (the "Program"). The Program provides an opportunity for experienced business persons to immigrate to Canada after making an investment in a fund approved by a Province and the Minister of Citizenship and Immigration. The Minister acts as agent for approved funds by receiving investments from immigrant investors and disbursing them to approved funds according to an allocation formula set out in the Immigration Regulations, 1978. The regulations require approved funds participating in the Program to invest in economic initiatives, which will create employment in Canada to foster the development of a strong and viable economy.

The Minister of Finance acts as fiscal agent for the Corporation. The Corporation is exempt from federal and provincial taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies followed in the preparation of these financial statements are as follows:

Changes in accounting policies

As a result of CICA issued amendments to the disclosure of financial instruments, the Corporation has adopted changes in the accounting policies for fair value measurement of financial instruments. Effective April 1, 2009 a fair value hierarchy is used to categorize fair value measurements, as disclosed in Note 4. This change in policy does not have any effect on the statements of financial position or operations.

Revenue recognition

Investment income represents interest and realized foreign exchange gains and losses earned on operating cash accounts and short-term investments and is recognized on an accrual basis.

Interest income from loans receivable is recognized on an accrual basis.

Promissory note discount

Promissory notes are received at a discount. The discount is recognized as an expense on a straight-line basis over the term of the promissory notes.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Corporation has the following financial assets and liabilities and has selected the following classifications, which remain unchanged from the prior year:

	Classification	Initial Measurement	Subsequent Measurement
Financial assets:			
Cash	Held-for-trading	Fair value	Fair value
Short-term investments	Held-for-trading	Fair value	Fair value
Loans receivable	Loans and receivables	Fair value	Amortized cost
Venture investments	Available-for-sale	Fair value	Cost
Financial liabilities:			
Accounts payable and accrued liabilities	Other financial liabilities	Fair value	Amortized cost

Promissory notes are not considered to be financial instruments as they are established by the Immigration Regulations, 1978.

Basis of consolidation

The consolidated financial statements include the assets, liabilities, results of operations and cash flows of the Corporation and its wholly owned subsidiary, B.C. Renaissance Capital Fund Ltd. ("BCRCF"). All intercompany transactions and balances have been eliminated.

On October 22, 2007, BCRCF was incorporated under the Business Corporations Act and is a wholly owned subsidiary of the BC Immigrant Investment Fund Ltd. The primary business of the BCRCF is to stimulate economic development by making investments into venture capital limited partnerships.

Foreign currency translation

Monetary items denominated in foreign currency are translated into Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions.

Foreign exchange gains or losses on translation are recognized in net income.

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from those estimates.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

Future Accounting Policies

The Public Sector Accounting Board ("PSAB"), the body governing accounting standards for government entities, has recently approved changes to the scope of public sector accounting standards. Under these changes, the Corporation is considered an "Other Government Organization" which has been given a choice to adopt International Financial Reporting Standards ("IFRS") or public sector accounting standards. The Corporation is currently assessing the accounting policy choices and the impacts to the Corporation. The Corporation will continue to work with the Government of British Columbia to ensure compliance of PSAB directions and meeting the timelines.

3. CAPITAL MANAGEMENT

The Corporation's objectives in managing its liquidity and capital, defined as assets and liabilities which are either highly liquid, represent a set schedule of payments or are investments recorded at cost that are expected to generate returns, are:

- To safeguard the Corporation's ability to continue as a going concern
- Provide financial capacity and flexibility to meet its obligations relating to promissory notes
- To make investments that maximize returns while enhancing the overall economic viability of the Province of British Columbia

	<u>2010</u>	<u>2009</u>
Contributions of capital		
Cash	7,502	3,111
Short-term investments	112,397	232,809
Prepaid expenses	6	5
Loans receivable	179,529	85,176
Venture investments	14,081	7,610
	<u>313,515</u>	<u>328,711</u>
Total requirements of capital		
Accounts payable and accrued liabilities	(70)	(151)
Promissory notes	(299,954)	(297,285)
Commitments to invest in venture investments	(54,450)	(35,580)
	<u>(354,474)</u>	<u>(333,016)</u>
Net deficiency	<u>(40,959)</u>	<u>(4,305)</u>

Liquidity and capital structure are managed by adjusting for changes to economic conditions, understanding the underlying risks inherent in its operations and managing the capital requirements to maintain and grow its operations.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

It is management's belief that returns from short-term investments, loans receivable and venture investments will be sufficient to meet the capital deficiency.

The promissory notes of \$299.9 million (2009: \$297.3 million) represent amounts owing to Citizenship and Immigration Canada for participation in the Federal Immigrant Investor Program. Future allocations will depend on program participation rates among immigrant investors and other provinces, minimum contribution requirements, and British Columbia's proportionate share. Although there will be some fluctuations in the value of these allocations, management believes the risk of a sustained, material decrease in allocations is both remote and manageable and future incoming allocations will provide for this liability.

4. FINANCIAL INSTRUMENTS

Fair value:

The Corporation's financial instruments include cash, short-term investments, accounts receivable, loans receivable, venture investments and accounts payable and accrued liabilities.

Financial instrument	2010		2009	
	Fair value	Carrying value	Fair value	Carrying value
Cash	7,502	7,502	3,111	3,111
Short-term investments	112,397	112,397	232,809	232,809
Accounts receivable	-	-	-	-
Loans receivable	179,529	179,529	85,176	85,176
Venture investments	N/A	14,081	N/A	7,610
Accounts payable and accrued liabilities	70	70	151	151

The carrying amounts of cash and accounts payable and accrued liabilities approximate fair values due to the short-term nature of these instruments. The fair value of short-term investments is determined by reference to published price quotations in an active market. The cost of the short-term investments is \$112.10 million (2009: \$210.25 million). The carrying amounts of loans receivable approximate their fair values as they earn a fixed rate of interest based on market rates. Fair value information for venture investments cannot be reasonably estimated as there is no active market and are therefore recorded at cost.

A fair value hierarchy is used to categorize fair value measurements. Under the hierarchy, valuation is based on quoted market prices of identical assets (Level 1), internal models developed from observable market data for similar assets or liabilities (Level 2), or internal models developed without observable market data (Level 3).

Level 1 valuation was used in the measurement of cash and short-term investments as a quoted market price was available. Venture investments were measured using Level 3 valuation as the venture investments do not trade in an active market and there are no similar assets traded in an active market. The internal model used by management to value the venture investments is to record the investment at cost unless there are events or circumstances that indicate the value of the investment has been impaired, in which case a write down of the investment below its cost basis is made. Management identifies events or circumstances affecting the venture investment through review of their financial data. No such events or circumstances have been identified to date that would indicate a write down below cost is required.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

4. FINANCIAL INSTRUMENTS (continued)

Risks:

Investment activities of the Corporation expose it to a variety of financial risks including credit risk, market risk (which includes currency risk, interest rate risk and other price risk) and liquidity risk.

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfill payment obligations. The Corporation is exposed to credit risk in the event of non-performance by a public sector borrower to a maximum value of the value of loans receivable. The Corporation assesses this risk when considering loans. For the most part an unsecured and general obligation from the public sector institution is judged sufficient to mitigate credit risk, however the Corporation has taken property as collateral on the loan to Simon Fraser University to further mitigate potential credit risks.

The Corporation is exposed to credit risk associated with its cash deposits and short-term investments. This risk is mitigated by placing deposits and investments in recognized British Columbia institutions, with investments consisting entirely of high-quality short-term funds. Therefore credit risk arising from cash deposits and short-term investments is considered negligible.

The Corporation is also exposed to credit risk in the event its returns from the venture capital initiatives are below cost. Venture capital investment returns are expected to begin in 2014 and the Corporation's investment portfolio diversification is based on an investment strategy developed to generate returns to cover potential losses from its higher risk investments.

Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to foreign currency exchange risk as a result of its investments in US venture capital initiatives, US short-term investments and US dollar holdings.

Through the Corporation's venture capital initiative, the Corporation has a total of \$23.9 million USD in venture capital commitments, but holds approximately \$26.7 million USD in short-term investments and cash. At the balance sheet date currency risk is negligible because the Corporation has enough USD cash on hand to satisfy commitments made.

The Corporation manages its foreign currency risk by holding funds that are required to meet US venture capital commitments in US dollar cash and US dollar short-term investments that generate annual returns. Returns generated from investments in venture capital funds will also be in US dollars. As the timing and value of returns from these investments cannot be reasonably estimated, the impact of currency rate fluctuations can also not be estimated.

US dollar short-term investments held to provide funds for anticipated US dollar venture capital commitments have resulted in unrealized foreign exchange losses of \$21,790 (2009: gains of \$20,097) being recognized in net income.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

4. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

To date the Corporation has made transfers totalling \$11.39 million USD for US venture capital calls, which has translated to \$12.27 million CAD equivalent based on the foreign exchange rates in effect at the time of the capital calls. The \$11.39 million USD would translate to \$11.22 million CAD based on the foreign exchange rate in effect when the funds were invested in USD short-term investments to be held for the purposes of making capital calls. Therefore the Corporation has saved \$1.05 million CAD to date on US venture capital calls made by having converted CAD funds to USD short-term investments at favorable exchange rates.

Interest rate risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or fair values of financial instruments. The Corporation is exposed to interest rate risk through its short-term investments. The Corporation manages its exposure to interest rate risk by holding a portfolio of fixed and floating rate investments. The Corporation has invested its funds in loans receivable with fixed rate returns and investments with British Columbia Investment Management Corporation (bcIMC) on a floating rate basis.

If the Corporation were to have experienced a 1% change in the interest rate earned this would have impacted interest income in the approximate amount of \$1.8 million (2009: \$2.0 million) calculated as 1% of the average book value of short-term investments throughout the year.

Other price risk

Other price risk is the risk that the market value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation is exposed to other price risk through its venture investments as by nature, investments in venture capital funds carry a high risk, however the Corporation mitigates the risk by utilizing the expertise and skills of highly qualified institutional venture capital managers with a proven record of superior performance.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. In connection with the Corporation's ongoing financing of operations, including refinancing risk, management aims to ensure adequate liquidity of investments. The Corporation manages its liquidity risk by placing deposits in cash and extremely liquid negotiable instruments, and monitoring the duration of lending/investing activities of the Corporation to coincide with five year forecasted repayment obligations (Note 7) as well as anticipated periods where the \$500 million maximum funding from the Immigrant Investor Program will have been reached and additional funding will be temporarily halted.

The Corporation is also exposed to liquidity risk associated with the venture capital initiatives. The Corporation cannot legally sell the investments and must hold them until maturity. As the Corporation invests in early stage venture capital initiatives that have a limited history of operations and whose business activities tend to be speculative, there is no assurance that such investments will provide positive future cash flows. The Corporation attempts to manage liquidity risk by utilizing the expertise and skills of highly qualified institutional venture capital managers with a proven record of superior performance.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

5. LOANS RECEIVABLE

Loans receivable, which are valued at amortized cost using the effective interest method, consist of the following:

	<u>2010</u>	<u>2009</u>
Due from British Columbia Institute of Technology, principal of \$60,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 4.95% over a 25 year term. The outstanding balance of this loan will be due in full on August 1, 2011.	57,225	58,581
Due from University of the Fraser Valley, principal of \$13,919,748, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 5.15% over a 25 year term. The outstanding balance of this loan will be due in full on August 1, 2017.	13,300	13,608
Due from University of Victoria, principal of \$5,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 4.75% over a 20 year term. The outstanding balance of this loan will be due in full on March 1, 2017.	4,542	4,712
Due from Nicola Valley Institute of Technology, principal of \$3,300,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 4.9% over a 30 year term. The outstanding balance of this loan will be due in full on September 1, 2017. The loan had an interest free period which impacted the accounting balance and effective rate of the loan. For accounting purposes, the estimated interest foregone has been recorded as an increase in the loan receivable using the effective interest method to the maturity date of the loan and will be accreted to interest income over the term of the loan. As a result the effective interest rate on the loan is 4.77% per annum.	3,224	3,283
Due from Simon Fraser University, principal of \$5,100,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 5.20% over a 30 year term. The outstanding balance of this loan will be due in full on June 1, 2017.	3,200	4,992
Carried forward	<u>81,491</u>	<u>85,176</u>

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

5. LOANS RECEIVABLE (continued)

Brought forward	81,491	85,176
Due from the Province of British Columbia, principal of \$100,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 3.460% over a 10 year term. The outstanding balance of this loan will be due in full on December 16, 2019.	98,038	-
Less: current portion	179,529 10,743	85,176 1,958
	<u>168,786</u>	<u>83,218</u>

6. VENTURE INVESTMENTS

The B.C. Renaissance Capital Fund Ltd. invests in funds as a limited partner. The Corporation accounts for its investments in the venture capital fund partnerships at cost; as there is no quoted market price in an active market the fair value of the investments cannot be reliably measured.

	<u>2010</u>	<u>2009</u>
Arch Venture Fund VII, L.P., 1.57% ownership	1,381	695
Kearny Venture Partners, 2006, L.P., 9.15% ownership	3,206	1,691
VantagePoint CleanTech Partners II, L.P., 3.38% ownership	5,419	3,385
VantagePoint Venture Partners 2006 (Q), L.P., 0.50% ownership	2,263	1,839
Yaletown Ventures II, L.P., 15.79% ownership	1,500	-
Tandem Expansion Fund I, L.P., 5.67% ownership	312	-
	<u>14,081</u>	<u>7,610</u>

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

7. PROMISSORY NOTES

The funds received from the Federal Immigrant Investor Program are repayable, without interest, five years after they are received. The obligation of the Corporation is represented by non-transferable zero interest promissory notes. The Province of British Columbia fully guaranteed these funds up to a maximum of \$300 million dollars for most of fiscal 2010. The maximum was reached during 2010 and therefore in May, August, September and December 2009 no additional funds were received from the Immigrant Investor Program. On March 23, 2010, the Province increased the guarantee to a maximum of \$500 million dollars. The Corporation did receive a payment on March 30, 2010 for April 2010 and will continue to receive funds provided the total amounts owing do not exceed \$500 million.

Promissory note discount represents the amounts withheld on promissory notes received. The amount is amortized over the life of the note.

	<u>2010</u>	<u>2009</u>
Total promissory notes beginning of year	297,285	267,825
Additions during the year	64,666	39,845
Repaid or refunded during the year	<u>(61,997)</u>	<u>(10,385)</u>
Promissory notes end of year	<u>299,954</u>	<u>297,285</u>
Net promissory note discount end of year	<u>(10,743)</u>	<u>(10,321)</u>
Promissory notes end of year	289,211	286,964
Less: current portion	<u>57,263</u>	<u>61,997</u>
Long-term promissory notes	<u><u>231,948</u></u>	<u><u>224,967</u></u>

The estimated principal payments over the next five years are:

<u>Year</u>	<u>Amount</u>
2011	57,263
2012	39,183
2013	99,074
2014	39,769
2015	64,665

8. SHARE CAPITAL

The Corporation has authorized capital of 100,000 common shares without par value of which one share is issued and outstanding.

The Minister of Small Business, Technology and Economic Development holds the one common share issued as designated representative of Her Majesty the Queen in right of the Province of British Columbia.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

9. COMMITMENTS AND SUBSEQUENT EVENTS

At March 31, 2010 B.C. Renaissance Capital Fund Ltd. held commitments to invest the following funds:

<u>Fund name</u>	<u>Total commitment in USD</u>	<u>Transferred in USD</u>	<u>Remaining commitment in USD</u>	<u>Remaining commitment in CAD</u>
Arch Venture Fund VII, L.P.	6,280	1,287	4,993	5,070
Kearny Venture Partners, 2006, L.P.	9,000	3,003	5,997	6,091
VantagePoint Clean Tech Partners II, L.P.	15,000	4,950	10,050	10,207
VantagePoint Venture Partners 2006 (Q), L.P.	5,000	2,150	2,850	2,894
	35,280	11,390	23,890	24,262

<u>Fund name</u>	<u>Total commitment in CAD</u>	<u>Transferred in CAD</u>		<u>Remaining commitment in CAD</u>
Yaletown Ventures II, L.P.	15,000	1,500	-	13,500
Tandem Expansion Fund I, L.P.	17,000	312	-	16,688
	32,000	1,812	-	30,188

Total 54,450

During the 2009 fiscal year, the Corporation entered into a 5-year software license that calls for annual payments of \$15,000 USD. Based on the exchange rate in effect at the balance sheet date the CAD equivalent would be \$15,234 per annum.

During the year, the Corporation entered into a letter of intent with VanEdge Capital I Limited Partnership to invest \$15 million in venture investments subject to certain conditions, including securing other commitments from institutional investors. Subsequent to the year-end, VanEdge achieved its first closing and the Corporation is now obligated to its commitment.

During the year the Corporation entered into a letter of intent with Wesley Clover Technology Commercialization Fund, L.P., to invest \$8 million in venture investments. The letter of intent expires June 30, 2010 and is subject to certain conditions including securing other capital commitments from institutional investors.

Subsequent to the year-end, two additional partners were admitted to Yaletown Ventures II, L.P., increasing the total capital of the limited partnership to \$120 million, which reduces the Corporation's stake to 12.5%.

10. INDEMNITIES

As part of the Corporation's initiative to develop a portfolio of venture investments it has entered into the following partnerships: Arch Venture Fund VII, L.P., Kearny Venture Partners, 2006, L.P., VantagePoint Clean Tech Partners II, L.P., VantagePoint Venture Partners 2006 (Q), L.P., Yaletown Ventures II, L.P., and Tandem Expansion Fund I, L.P. (the Partnerships). Under the terms of the partnership agreements, each Partnership has agreed to indemnify its General Partner (including their members, employees, and agents) for certain liabilities, which the General Partner may incur as a result of activities undertaken in their capacity as General Partners. Management believes that no such liabilities exist at March 31, 2010.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

YEAR ENDED MARCH 31, 2010

11. RELATED PARTY TRANSACTIONS

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations and all other public sector organizations. Transactions with these entities are in the normal course of operations and are recorded at the exchange amount.

The Ministry of Small Business, Technology and Economic Development provides general administrative services to the Corporation at no cost. The cost of this support is not material and has not been recorded in these financial statements.

The Province of British Columbia has provided a guarantee for the balance of the promissory notes payable up to a maximum of \$500 million.

	<u>2010</u>	<u>2009</u>
Assets and liabilities at March 31 with related parties include:		
Current portion of loans receivable (Note 5)	10,743	1,958
Loans receivable (Note 5)	168,786	83,218
Accounts payable and accrued liabilities	(54)	(122)

The consolidated statement of income, comprehensive income and retained earnings includes the following transactions with related parties:

Interest income	5,150	4,401
Investment fees	159	103
Professional fees	188	290

12. ECONOMIC DEPENDENCE

An unanticipated termination of the Federal Immigrant Investor Program by the federal government could have a material impact on the financial condition of the Corporation and could lead to the drawdown of at least some of the \$500 million provincial guarantee. This could arise because the Corporation makes investment commitments which exceed the five-year term for returning funds to the federal government. Based on discussions with the federal administrators, the Corporation believes the likelihood of program termination without significant notice is extremely low.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.