2017 ANNUAL REPORT

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LETTER OF TRANSFER FROM CHAIRPERSON OF THE BOARD OF DIRECTORS TO MINISTER OF FISHERIES, OCEANS AND THE CANADIAN COAST GUARD

Honourable Dominic LeBlanc
Government of Canada
Minister of Fisheries, Oceans and the Canadian Coast Guard
Room 556, Confederation Building
Ottawa, Ontario
K1A 0A6

Dear Minister:

We are pleased to submit Freshwater Fish Marketing Corporation's Annual Report, in accordance with Section 150 of the *Financial Administration Act (FAA)*. The Annual Report includes audited financial statements for the fiscal year ending April 30, 2017.

Freshwater performed well during the year ending April 30, 2017, compared to the results of the previous year ending April 30, 2016. As we enter the open-market supply environment, Freshwater is well prepared and committed to being here for fishers. We are ready to provide the right tools and access to markets.

Gratitude is extended to John Wood, President and CEO (2006-2014), who provided interim leadership for the Corporation during the fiscal year until the appointment of Stan Lazar as Interim President on February 1, 2017. Mr. Lazar was the Chief Financial Officer from 2008-2017.

As noted in previous correspondence, the Corporation will be managed using a business model that will maintain the value of the Corporation for the Government of Canada and will act in the best interests of industry stakeholders – customers, fishers, suppliers and employees.

Yours sincerely,

David Bevan
Chairperson of the Board

PRESIDENT'S MESSAGE

HERE FOR FISHERS

In 2017 Freshwater Fish continued to deliver value to fishers. During the year, we generated strong revenue, provided a solid final payment to fishers and delivered firm operating performance.

Operational and financial highlights are:

- Profit before final payment and income tax of $7.6 million, compared to the plan of $7.1 million;
- Retained earnings of $14.9 million, achieving the targeted 20% of net revenue Freshwater has been working towards since 2012;
- A final payment of $3.5 million to fishers;
- Commitments to improve productivity and operating efficiency were met;
- Sales revenue and sales volumes were strong, reaching the highest levels in the last ten years;
- We invested in hull repairs and completed the Hnausa, Manitoba dry dock for the Poplar River barge that provides vital connections to communities on Lake Winnipeg; and
- We replaced deboning equipment in the Winnipeg processing plant, realizing improved efficiencies and cost and operating performance gains.

The element of change is a dynamic 'given' in our world and the commercial freshwater fishing industry is no exception. Significant changes have impacted Freshwater during this fiscal year:

- Leadership and strategic direction of the Corporation, as a result of changes at the executive and Board levels;
- A recent Special Examination Report by the Office of the Auditor General of Canada (OAG) with recommendations that we will resolve and implement going forward; and
- The decision by the Province of Manitoba to withdraw from the *Freshwater Fish Marketing Act* and enter the open market before the end of 2017.

We have developed a new business model and a supply/demand strategy for the organization with these events and modifications in mind.

The success of Freshwater rests with people – people working together. We are a network of over 2,000 people – dedicated commercial fishers, delivery agents, processing and administrative staff, and sales and marketing personnel who interact with customers to successfully sell our products around the globe. To all our stakeholders, customers and extended stakeholders, whose commitment makes Freshwater what it is and who contributed to this year's success, I say 'thank you.'

Our commitment: Freshwater, here for fishers.

Stan Lazar
Interim President

CORPORATE GOVERNANCE

The Freshwater Fish Marketing Corporation is committed to improve our governance framework, to enhance the reputation and business we've earned in global markets, to maintain and promote our mandate, and to safeguard the value of our assets for the Government of Canada.

Corporate Profile

The Freshwater Fish Marketing Corporation (herein referred to as "Freshwater," "FFMC," "the Corporation," "we," "us," or "our") is a self-sustaining federal Crown corporation – the buyer, processor and marketer of all commercially-caught freshwater fish from our mandate region of Manitoba, Alberta and the Northwest Territories. The Corporation also buys fish from outside our mandate region, specifically Saskatchewan. Although Alberta remains a signatory to the *Freshwater Fish Marketing Act*, the Province of Alberta has suspended commercial fishing in order to focus its resources on sport fishing, resulting in no deliveries from Alberta since 2015.

Freshwater's mission is to provide the core activities of the legislated mandate, including purchasing all fish offered for sale; creating an orderly market; promoting international markets; increasing trade in fish; and maximizing returns to commercial fishers. To fulfill this mandate, Freshwater supports the orderly management of the freshwater fishery through planned harvesting, processing and marketing strategies. Final payments to fishers are distributed annually by species pool from available cash surpluses.

Freshwater employs more than 180 full-time production staff, adding to the workforce during peak periods. Fish are caught by over 1,700 fishers across the mandate region; they are then purchased and graded by contracted agents and corporate agencies at 49 delivery points. Freshwater is a significant contributor to the economies of more than 50 communities in Canada's north and does this by acting as the marketer of their fish harvest to over 14 countries.

The Freshwater brand continues to represent the global benchmark with respect to the production of top quality wild-caught freshwater fish. It remains the number one choice for U.S. chefs when placing walleye on their menus. Freshwater is the largest and most trusted supplier of lake whitefish and whitefish caviar to Finland and the number one supplier for buyers of tullibee roe in Scandinavia. We continue to be the dominant supplier to the northern pike market in France, both with minced and new product innovations. We are the largest individual supplier of freshwater fish products to the U.S. gefilte fish market and maintain a kosher-certified plant.

In nearly five decades of business in Canada and abroad, Freshwater has established and sustained a solid reputation based on product reliability, quality and safety. We are a recognized industry leader, meeting our mandate to market fish inter-provincially and internationally.

Ensuring Effective Governance

The Board of Directors has overall responsibility for overseeing the management of the Corporation's business and affairs. It exercises its duty in the best interests of fishers and employees and in the interests of our sole shareholder, the Government of Canada, in accordance with our governing by-laws and applicable legislation.

To fulfill its stewardship responsibilities, the Board establishes and approves Freshwater's strategic direction through a five-year Corporate Plan and reviews and approves major strategies and initiatives. It exercises due diligence by assessing risks and opportunities, monitoring financial performance, ensuring the integrity of financial results and providing timely reports to the Government of Canada. A new five-year Corporate Plan was submitted in April 2017 and is now awaiting direction.

The Board has nine available positions and at April 30, 2017, consisted of five Directors, including the President and Chief Executive Officer (CEO). Four positions are vacant and the Board is working with Ottawa to fill those vacancies. The Board and its Committee hold *in camera* sessions without the presence of the CEO. The Board of Directors met in person five times and held seven teleconferences in 2017. The Audit and Risk Committee assists the Board in discharging its responsibilities. During the past fiscal year, this Committee met a total of four times in person and held one teleconference.

While the CEO receives an annual salary, the Chair of the Board is paid an annual retainer and a per diem set by the Governor in Council pursuant to the *Financial Administration Act (FAA)*. Directors are paid a per diem also as set by the Governor in accordance with the *FAA*.

Board members are reimbursed for all reasonable out-of-pocket expenses incurred while performing their duties related to Freshwater, including travel, accommodations and meals. In 2017, Freshwater completed a review and implemented the new Corporate Travel, Hospitality, Conference and Event Policy that is aligned with related Treasury Board policies and directives. Associated expenses for Board members and senior management are posted on Freshwater's website.

Board profiles and competencies, oversight and potential or perceived conflicts of interest.

- The Corporation should update its risk register and its strategic direction and objectives, in consultation with government officials, to allow it to define, obtain approval of, and promptly implement a long-term strategic direction. In doing so, the Corporation should ensure that it has appropriate information for decision-making.
- The Corporation should create clear operational and capital plans that detail how to achieve its strategic objectives for upcoming years and effectively communicate them throughout the Corporation.
- The Corporation should review its policies and procedures to identify where updates are required or where gaps exist. It should ensure that its employees are trained on its policies and procedures, in accordance with their responsibilities. It should assess and monitor compliance with its policies and procedures.

Director	Board meeting attendance*	Board teleconference meeting attendance*	Committee meeting attendance*
David Bevan	5/5	7/7	4/5
Bert Buckley	4/5	7/7	4/5
Vince Crate	5/5	7/7	5/5
Stan Lazar	1/1	4/5	
Dwight Williamson	5/5	6/6	5/5
John Wood	5/5	6/7	

**The number of meetings attended compared to the maximum the Director could have attended*

Special Examination

During the year, the Office of the Auditor General of Canada (OAG) completed a special examination of the Corporation as required by section 138 of the *Financial Administration Act*. A special examination is a form of performance audit and is conducted regularly by the OAG on Crown corporations.

The special examination was conducted between October 2015 and June 2016 and considered whether Freshwater's assets were safeguarded and controlled, resources were managed economically and efficiently, and whether operations were carried out effectively.

The report yielded four recommendations:

- In consultation with the Minister of Fisheries and Oceans, the Corporation should address its deficiencies in governance practices, including those in the areas of

BOARD OF DIRECTORS

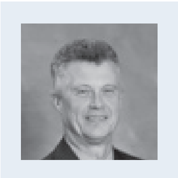
David Bevan
Chairperson of the Board
Ottawa, Ontario
Occupation: Retired Associate Deputy Minister, Department of Fisheries and Oceans
Served on Board: 1 year

Stan Lazar
Interim President
(February 1 – April 30, 2017)
Winnipeg, Manitoba
Occupation: Chief Financial Officer, FFMC *(2008 – 2017)*

Bert Buckley
Hay River, Northwest Territories
Occupation: Commercial Fisher
Served on Board: 18 years

Dwight Williamson
Winnipeg, Manitoba
Occupation: Retired Assistant Deputy Minister, Manitoba Conservation and Water Stewardship
Served on Board: 1 year
(Resigned April 14, 2017)

Vince Crate
Fisher River Cree Nation, Manitoba
Occupation: Band Councillor, Fisher River Cree Nation; Commercial Fisher
Served on Board: 3 years



John Wood
Interim President
(May 1, 2016 – January 31, 2017)
Sarnia, Ontario
Occupation: Semi-retired Consultant
Served on Board: 9 years

4 Vacant Positions

AUDIT AND RISK COMMITTEE

David Bevan
Chairperson
Ottawa, Ontario

Vince Crate
Member
Fisher River Cree Nation, Manitoba

Bert Buckley
Member
Hay River, Northwest Territories

Dwight Williamson
Member
Winnipeg, Manitoba
(*Resigned April 14, 2017)*

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) provides a narrative discussion outlining Freshwater's financial and operating results for the year ending April 30, 2017. This discussion should be read with the financial statements and accompanying notes for the fiscal year.

Financial and operating results reported in the MD&A are current to April 30, 2017. Management is responsible for the information presented in the annual report and this discussion. The Board of Directors, on the recommendation of its Audit and Risk Committee, approved the content of this MD&A and the audited financial statements.

Materiality

In assessing what information is to be provided in the MD&A, management applies the materiality principle as guidance for disclosure. Management considered information material if it is probable that its omission or misstatement would influence decisions that users make on the basis of the financial information.

Forward-Looking Statements

Readers are advised to refer to the cautionary language included at the end of this MD&A when reading any forward-looking statements.

Significant Events

Manitoba enters the open supply market

In August 2016, the Province of Manitoba provided notice of its intention to withdraw from the *Freshwater Fish Marketing Act*. On March 15, 2017, the Manitoba government introduced Bill 23 to the Manitoba Legislative Assembly which, once passed, will complete Manitoba's withdrawal from the *Freshwater Fish Marketing Act*. This is expected to occur in the fall of 2017. The withdrawal creates an open market supply environment. Freshwater will no longer be obligated to purchase all fishers' catch if there is no market demand. The Corporation's new business plan matches the open market of purchasing fish in Manitoba with customer demand, with both the sustainability of the industry and livelihood of fishers in mind.

Travel and hospitality expenditure and procedures

In July 2015, the Corporation was issued a directive (P.C. 2015-1108) in accordance with section 89 of the *Financial Administration Act (FAA)* to align our travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments in a manner that is consistent with our legal obligations.

To increase transparency and communication on travel, hospitality, conference and event expenditures, Freshwater will have the directive fully implemented in October 2017. The Corporate Travel, Hospitality, Conference and Event Policy is published on freshwaterfish.com.

Board and executive changes

In November 2016, John Wood submitted his resignation as Interim President effective January 31, 2017. At the Board meeting held on November 24, 2016, Stan Lazar was appointed Interim President and CEO effective February 1, 2017.

In December 2016, in accordance with Order-in-Council; PC 2016-1181, the Governor in Council, on the recommendation of the Minister of Fisheries, Oceans and the Canadian Coast Guard, terminated for cause the appointment of the former President of Freshwater Fish Marketing Corporation, following an independent investigation that was conducted into allegations and concerns raised in complaints about his conduct as President. He had agreed to go on administrative leave in March 2016.

In December 2016, the Chair of the Board sent a request to fill the remaining vacant Board positions to the Minister of Fisheries, Oceans and the Canadian Coast Guard. The most urgent appointment is for a Director with credentials and experience to fulfill the role of Chairperson of the Audit and Risk Committee.

Dwight Williamson resigned from the Board on April 14, 2017.

Corporate plan

On April 13th, 2017, Freshwater's Board of Directors approved the 2018-2022 Corporate Plan. The Plan was submitted to the Minister of Fisheries, Oceans and the Canadian Coast Guard on April 19, 2017.

Performance Indicators

Performance against the Corporate Plan

The operating and financial results achieved during the year ended April 30, 2017 indicate that most, though not all, operational and financial goals established in the 2017-2021 Corporate Plan were met:

Performance Indicator	2017 Performance Target	2017 Actual Performance
Profit before final payment and income tax	$ 7.1 million	$7.6 million
Percent return to fishers	50.9%	45.2%
Retained earnings	$13.4 million	$14.9 million
Reduce processing and administration expenses	Reduce to less than forecast	Above forecast
Gross and net sales revenue	Increase of 2% ($73.2 million)	Increase of 3.6%
Improve direct labour efficiency	2% improvement over 2015/16 actual	2.8% improvement
Improve operational costs per kilogram	3% improvement over 2015/16 actual	5% improvement
Initial payments to fishers	$28.9 million	$28.9 million
Fish delivery volume	14.2 million kilograms	14.7million kilograms

Results of Operations

Fish deliveries Freshwater received deliveries of 14.7 million kilograms in 2017, a decrease of 10.3% compared to deliveries of 16.4 million kilograms in 2016. The change in deliveries was the result of environmental and biological factors affecting lake deliveries and the variety of species caught throughout the year compared with a year ago.

Sales revenue Freshwater generated sales revenue of $75.8 million for 2017, an increase of 3.6% compared to revenue for 2016 of $73.2 million. The increase in sales revenue is the result of changes in product sales mix and pricing. Total processed fish inventory at April 30, 2017, decreased by 3% to $18.5 million primarily as a result of additional customer demand.

Cost of sales The cost of sales for 2017 of $61.3 million increased by 1.7% from 2016 cost of sales of $60.3 million. This increase is consistent with the related change in revenue and profit margins achieved during 2017. Costs of sales from processing operations consist of direct costs and processing overhead. This increase in cost of sales primarily relates to the sales mix and higher average selling prices.

Marketing and administrative expenses (M&A) The M&A for 2017 of $6.4 million (8.4% of revenue) increased 10.4% compared with $5.8 million (7.8% of revenue) in 2016. The increase in the 2017 M&A includes an additional $0.46 million for information technology support costs compared to 2016 and increased M&A costs in 2017 associated with sales volume increases.

Net foreign exchange gain and financial derivative loss During 2017, the Corporation had a net realized foreign exchange gain of $0.23 million related to settlements of financial instruments. The net financial derivative loss of $0.02 million in 2017 represents the change in fair value of interest rate swaps and realized and unrealized gains and losses on foreign exchange contracts.

Income tax expense The income tax expense for 2017 was $1.08 million, consisting of $0.81 million of current income tax expense and $0.27 million of deferred income tax expense. In comparison, the income tax expense for 2016 was $0.61 million, consisting of $1.01 million of current income tax expense and $0.403 million of deferred income tax expense recovered. Current income tax expense recorded in 2017 increased as compared to fiscal 2016 primarily as a result of increased profit before income tax.

Total comprehensive income The Corporation reported total comprehensive income of $3.0 million in 2017, an increase of 97.5% compared to total comprehensive income of $1.5 million in 2016. Total comprehensive income in 2017 is primarily a result of increased profit offset by increased income taxes.

Returns to fishers Freshwater uses a payment structure that determines initial and final payments under a pooling system. The final payments are calculated by allocating receipts and costs by fish species. The profit distribution policy ensures that at the end of the fiscal year an appropriate portion of net income from each species pool is allocated to long-term reinvestment in Freshwater. After the annual audit by the Office of the Auditor General of Canada, Freshwater determines final payments from the pooled receipts. Final payments are made from any corporate cash surpluses when sales revenues exceed all direct and allocated costs for a species. The table on pages 16 and 17 provides species pool results for 2017 and an historical comparison.

Retained earnings A study was commissioned by Freshwater in 2007 to review financial policies, profit payout and retention, and levels of capitalization. Recommendations were provided on how Freshwater should finance its operations and pay fishers in comparison to similar entities and industries. The study reviewed similar enterprises and concluded that Freshwater's targeted retained earnings level should be at 20% of its annual net sales. Freshwater's Long-Term Debt and Retained Earnings Policy became effective in 2012. Since the implementation of the Long-Term Debt and Retained Earnings Policy, Freshwater has demonstrated progress in positioning the Corporation on a more solid financial footing. At April 30, 2017, Freshwater's retained earnings are $14.9 million, achieving the established 20% net revenue target.

Liquidity and capital resources

Cash Flows

Cash increased by $0.43 million to $1.60 million at April 30, 2017, from $1.17 million at April 30, 2016.

Cash flows from operating activities increased to $3.56 million for the year ended April 30, 2017, from $0.23 million for the year ended April 30, 2016. The increase is mainly attributable to an increase in comprehensive income of $1.5 million and the change in inventory relative to last year.

Cash flows used in investing activities declined to $1.70 million for the year ended April 30, 2017, from $2.31 million for the year ended April 30, 2016. Capital expenditures at Freshwater are guided by production requirements; information technology support; food safety regulations; and return on investment. Less growth-oriented but essential projects include the replacement of aging equipment, building and equipment support and investments in health and safety. These expenditures fell into three categories:

- Building ($0.30 million): Includes plant modernization and improvements in the Winnipeg and field operations processing plants to facilitate efficient plant usages and constructing a facility in Hnausa, Manitoba to service the Poplar River Barge operated by the Corporation on Lake Winnipeg.
- Equipment, vessels and fresh fish delivery totes ($1.9 million): Includes investments for reliability, flexibility and capability improvements. Key investments were made to the Poplar River barge and a new deboner was purchased to replace processing capability lost at the Winnipeg plant during 2016.
- Information Technology ($0.09 million): Includes computer hardware and software for the ongoing support and development of the computing and communications infrastructure.

Cash flows used in financing activities was $1.4 million for the year ended April 30, 2017, compared to $3.1 million provided by financing activities for the year ended April 30, 2016.

Borrowing Facilities

Freshwater is meeting its goal to position the Corporation on a more solid financial footing through repayment of debt. At April 30, 2017, Freshwater's outstanding loan balance was $23.6 million, consisting of $10.8 million of operating debt and $12.8 million of demand-installment debt. During the year annual repayment of principle on the demand-installment debt was $0.934 million. Since establishing its debt repayment strategy in 2012, Freshwater has reduced demand-installment debt by $3.7 million from $16.5 million in 2012 to $12.8 million in 2017.

Note 11 to the financial statements provides full details on Freshwater's borrowing facilities.

Contractual Obligations and Other Commitments

See note 17 to the financial statements for details on Freshwater's contractual obligations and other commitments.

Outlook and Risks

The Corporation's performance is influenced by many factors, including competitive pressures, economic conditions and volatility of fish deliveries and in the markets we sell to. The operating and financial results achieved during the year ended April 30, 2017, indicate the Corporation met its financial target established in the 2016/17 to 2020/21 Corporate Plan that is pending approval from the Government of Canada. The following risks have been identified as particularly relevant in the current operating environment.

Strategic risks

Mandate

Freshwater is a Crown corporation solely-owned by the Government of Canada and governed primarily under the *Freshwater Fish Marketing Act (FFMA)* and the *Financial Administration Act (FAA).* The pending withdrawal of Manitoba from the *FFMA* may create changes to shareholder objectives or legislation that could have an impact on performance. The situation creates uncertainty over the long term.

Fish Deliveries

Environmental, biological and economic opportunities and risks affect the volume of fish delivered to Freshwater in any given year. On a regular basis, Freshwater uses effective operational planning and daily management to address these and other issues to meet its mandate. Manitoba's decision to withdraw from the *Freshwater Fish Marketing Act* provides both risks and opportunities to the Corporation. Upon withdrawal, competitors will be free to purchase fish supply in the province of Manitoba. Continuity of supply will be a key risk and Freshwater is in the process of signing three to five year supply contracts with fishers, fish agents and fish co-operatives to secure raw material to meet customer commitments and maintain the value and efficiency of Freshwater's assets. Under the *Freshwater Fish Marketing Act*, Freshwater is obligated to purchase all fish legally offered for sale. Upon Manitoba's withdrawal, the Corporation will no longer purchase all fish, but only purchase species and quantities required to maximize processing efficiency, optimize cost and profitability and meet customer requirements.

Changes in Regulatory Requirements

The Canada-European Comprehensive Economic and Trade Agreement (CETA) and recent global trends have indicated that imposition of domestic and international taxes, export controls, tariffs, embargoes, sanctions and other trade restrictions may affect Freshwater's operations and markets.

Geopolitical Uncertainty

Conflicts in Eastern Europe and U.S. administration protectionism on Freshwater's U.S. markets may further impact the Corporation. Volatility in international political and economic environments remains a risk in many of Freshwater's markets.

Financial risks

Foreign Exchange

A significant portion of the Corporation's revenue is denominated in foreign currencies, mainly U.S. dollars, which exposes the Corporation to foreign exchange risk as well as fluctuations in international currency exchange rates. Although Freshwater utilizes a hedging strategy, the volatility of foreign currencies, particularly the U.S. dollar, creates underlying risk to revenues.

Interest Rate

Recent economic data from the Bank of Canada suggest that the Canadian economy has shown tentative signs of growth. Even though Canadian exports remain weak amid ongoing geopolitical and economic policy uncertainties that continue to cloud both the global and Canadian outlooks, interest rates are forecast to rise in the near future. Freshwater has interest rate swaps in the amount of $12.8 million. The current interest rate swaps fix the interest rates for $5.3 million until 2029 and $7.5 million until 2032. Any additional debt required to meet the Corporation's working capital needs is subject to interest rate volatility.

Forward Looking Statements

This annual report, including this MD&A, contains forward-looking statements that reflect management's expectations regarding Freshwater's objectives, plans and strategies. Forward-looking statements are typically identified by words or phrases such as "plans," "anticipates," "expects," "believes," "estimates," "intends" and other similar expressions. These forward-looking statements are not facts, but only estimates regarding expected performance and results of operations (assumptions). While management considers these assumptions to be reasonable based on available information, they may prove to be incorrect. These estimates of future results are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what Freshwater expects. These risks, uncertainties and other factors include, but are not limited to, those risks and uncertainties set forth above in the Risks to Performance, as well as in note 6 – Financial Instruments and Financial Risk Management to Freshwater's financial statements.

To the extent Freshwater provides future-oriented financial information or a financial outlook, such as future operational and financial performance, Freshwater is providing this information for the purpose of describing future expectations. Therefore, readers are cautioned that this information may not be appropriate for any other purpose. Furthermore, future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks.

Readers are urged to consider these factors carefully when evaluating these forward-looking statements. In light of these assumptions and risks, the events predicted in these forward-looking statements may not occur. Freshwater cannot assure that projected results or events will be achieved. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements included in this annual report are made only as of July 11, 2017, and Freshwater does not undertake to publicly update these statements to reflect new information, future events or changes in circumstances or for any other reason after this date.

FINANCIAL RETURNS AND DELIVERIES

Ten Year Summary (2008 - 2017), Fiscal Year Ended April 30
Initial and Final Payments – Millions of Dollars

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Walleye (Pickerel)										
Delivered Weight	6.2	6.2	5.8	5.9	6.0	5.7	5.7	4.8	4.6	4.6
Price/Round Kg.	$3.50	$3.35	$3.22	$2.83	$3.19	$3.13	$2.88	$3.50	$4.00	$3.59
Initial Payment	$20.2	$20.8	$17.5	$15.5	$16.4	$15.8	$15.5	$14.5	$15.5	$16.7
Final Payment	$1.5	$0.0	$1.2	$1.2	$2.7	$2.0	$0.9	$2.3	$2.9	$3.3
Total Payment	$21.7	$20.8	$18.7	$16.7	$19.1	$17.8	$16.4	$16.8	$18.4	$20.0
3 Yr. Moving Avg.	$20.7	$21.3	$20.4	$18.7	$18.2	$17.9	$17.8	$17.0	$17.2	$18.4
Lake Whitefish										
Delivered Weight	3.8	5.1	5.1	4.6	3.8	3.7	3.6	4.0	4.8	4.4
Price/Round Kg.	$1.08	$1.49	$1.39	$1.17	$1.18	$1.44	$1.56	$1.81	$1.69	$1.69
Initial Payment	$3.9	$7.6	$7.1	$5.4	$4.5	$5.4	$5.4	$6.6	$8.1	$7.5
Final Payment	$0.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2	$0.6	$0.0	$0.0
Total Payment	$4.1	$7.6	$7.1	$5.4	$4.5	$5.4	$5.6	$7.2	$8.1	$7.5
3 Yr. Moving Avg.	$5.2	$5.9	$6.3	$6.7	$5.7	$5.1	$5.2	$6.1	$7.0	$7.6
Northern Pike										
Delivered Weight	1.9	2.1	1.9	1.8	1.9	2.0	2.0	2.2	2.3	1.7
Price/Round Kg.	$0.79	$0.90	$0.89	$0.78	$0.79	$0.80	$0.80	$0.89	$0.91	$0.81
Initial Payment	$1.2	$1.9	$1.6	$1.4	$1.5	$1.6	$1.6	$1.9	$2.1	$1.4
Final Payment	$0.3	$0.0	$0.1	$0.0	$0.0	$0.0	$0.0	$0.1	$0.0	$0.1*
Total Payment	$1.5	$1.9	$1.7	$1.4	$1.5	$1.6	$1.6	$2.0	$2.1	$1.5
3 Yr. Moving Avg.	$1.1	$1.5	$1.7	$1.7	$1.5	$1.5	$1.6	$1.7	$1.9	$1.8
Sauger										
Delivered Weight	0.1	0.3	0.6	0.2	0.2	0.2	0.3	0.3	0.3	0.2
Price/Round Kg.	$4.00	$3.33	$3.17	$3.00	$2.29	$2.71	$2.67	$2.67	$2.33	$2.99
Initial Payment	$0.4	$1.0	$1.9	$0.6	$0.4	$0.6	$0.8	$0.8	$0.7	$0.5
Final Payment	$0.0	$0.0	$0.0	$0.0	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0
Total Payment	$0.4	$1.0	$1.9	$0.6	$0.5	$0.6	$0.8	$0.8	$0.7	$0.5
3 Yr. Moving Avg.	$0.6	$0.6	$1.1	$1.2	$1.0	$0.6	$0.6	$0.7	$0.8	$0.7

* Northern Pike roe only
** Tullibee (Cisco) roe only

FINANCIAL RETURNS AND DELIVERIES

Ten Year Summary (2008 - 2017), Fiscal Year Ended April 30
Initial and Final Payments – Millions of Dollars

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mullet										
Delivered Weight	1.8	2.0	2.2	1.0	1.6	1.3	2	2.6	2.8	2.3
Price/Round Kg.	$0.39	$0.35	$0.36	$0.30	$0.46	$0.49	$0.45	$0.42	$0.46	$0.48
Initial Payment	$0.6	$0.7	$0.8	$0.3	$0.7	$0.6	$0.9	$1.1	$1.3	$1.1
Final Payment	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Payment	$0.7	$0.7	$0.8	$0.3	$0.7	$0.6	$0.9	$1.1	$1.3	$1.1
3 Yr. Moving Avg.	$0.7	$0.7	$0.7	$0.6	$0.6	$0.6	$0.8	$0.9	$1.1	$1.2
Perch										
Delivered Weight	0.3	0.1	0.2	0.2	0.3	0.1	0.1	0.1	0.1	0.1
Price/Round Kg.	$2.67	$3.00	$2.00	$2.00	$3.75	$3.16	$2.00	$2.00	$3.00	$4.15
Initial Payment	$0.8	$0.3	$0.4	$0.4	$1.0	$0.3	$0.2	$0.2	$0.2	$0.4
Final Payment	$0.0	$0.0	$0.0	$0.0	$0.1	$0.0	$0.0	$0.0	$0.1	$0.1
Total Payment	$0.8	$0.3	$0.4	$0.4	$1.1	$0.3	$0.2	$0.2	$0.3	$0.5
3 Yr. Moving Avg.	$0.7	$0.6	$0.5	$0.4	$0.6	$0.6	$0.6	$0.2	$0.2	$0.3
Other										
Delivered Weight	0.6	0.8	0.5	0.5	0.5	0.6	0.7	1.3	1.5	1.4
Price/Round Kg.	$0.83	$0.88	$0.60	$0.60	$0.60	$0.79	$1.00	$1.17	$1.07	$0.95
Initial Payment	$0.5	$0.7	$0.3	$0.3	$0.3	$0.4	$0.7	$1.5	$1.6	$1.3
Final Payment	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1**
Total Payment	$0.5	$0.7	$0.3	$0.3	$0.3	$0.4	$0.7	$1.5	$1.6	$1.4
3 Yr. Moving Avg.	$0.6	$0.6	$0.5	$0.4	$0.3	$0.3	$0.5	$0.9	$1.3	$1.5
All Pools										
Delivered Weight	14.7	16.6	16.3	14.2	14.3	13.6	14.4	15.3	16.4	14.7
Price/Round Kg.	$2.02	$1.99	$1.90	$1.77	$1.94	$1.97	$1.82	$1.93	$1.98	$1.96
Initial Payment	$27.6	$33.0	$29.6	$23.9	$24.8	$24.8	$25.1	$26.5	$29.4	$28.9
Final Payment	$2.1	$0.0	$1.3	$1.2	$3.0	$2.0	$1.1	$3.0	$3.0	$3.5
Total Payment	$29.7	$33.0	$30.9	$25.1	$27.8	$26.8	$26.2	$29.5	$32.4	$32.4
3 Yr. Moving Avg.	$29.6	$31.2	$31.2	$29.7	$27.9	$26.6	$26.9	$27.5	$29.4	$31.4

* Northern Pike roe only
** Tullibee (Cisco) roe only

TEN YEAR FINANCIAL SUMMARY

Fiscal Year ended April 30
All amounts in millions of dollars.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sales	$58.2	$62.5	$66.4	$66.8	$66.9	$63.5	$68.5	$71.0	$73.2	$75.8
Net Income (Loss) Before Final Payments and Income Tax	$2.3	($0.7)	$1.5	$0.1	$5.7	$4.5	$3.3	$6.2	$5.1	$7.6
Fish Purchases	$29.2	$35.3	$31.6	$26.6	$27.8	$27.4	$28.0	$29.5	$32.6	$32.0
Net Income Before Income Tax Plus Fish Purchases	$31.5	$34.6	$33.1	$26.7	$33.5	$31.9	$31.3	$35.7	$37.7	$39.6
Accounts Receivable	$5.5	$6.2	$8.1	$7.0	$6.4	$6.4	$7.1	$6.6	$8.7	$10.2
Inventory – Processed Fish Products	$10.6	$16.0	$15.0	$9.1	$9.6	$12.7	$12.6	$15.4	$18.6	$18.5
Inventory – Packaging Material and Parts	$0.7	$0.8	$0.9	$0.9	$0.9	$1.1	$0.9	$0.8	$1.1	$1.1
Capital and Intangible Assets – Net Book Value	$10.6	$13.9	$14.3	$13.8	$17.7	$21.2	$20.9	$19.4	$20.0	$20.3
Loans Payable	$18.8	$30.8	$29.4	$23.6	$21.1	$27.2	$26.0	$21.3	$24.6	$23.6
Retained Earnings	$3.6	$2.8	$2.7*	$1.7*	$4.2	$6.8	$8.2	$10.4	$11.9	$14.9

*Restated to conform with International Financial Reporting Standards (IFRS) presentation.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Freshwater Fish Marketing Corporation and all information in this annual report are the responsibility of the Corporation's management.

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board using the best estimates and judgments of management, where appropriate. The financial statements include certain amounts, such as the allowance for impairment loss, the provision to reduce slow moving or unsellable finished fish inventories to their estimated net realizable value, the derivative financial instruments measured at fair value and the estimated useful lives of plant and equipment, that are necessarily based on management's best estimates and judgment. The integrity and objectivity of the data in these financial statements are management's responsibility. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, proper records are maintained and that transactions of the Corporation are in accordance with Part X of the *Financial Administration Act* (FAA) and regulations, the *Freshwater Fish Marketing Act* and regulations, the by-laws of the Corporation and the directive (P.C. 2015-1108) issued pursuant to section 89 of the FAA.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit and Risk Committee. The Committee meets with management and the independent external auditor to discuss auditing, internal controls and other relevant financial matters. The Audit and Risk Committee meets to review the financial statements with the external auditors and submits its reports to the Board of Directors. The Board of Directors reviews and approves the financial statements.

The Corporation's independent external auditor, the Auditor General of Canada, audits the financial statements of the Corporation in accordance with Canadian Auditing Standards and expressed his opinion on the financial statements to the Minister responsible for the Freshwater Fish Marketing Corporation.

Stanley A. Lazar, CPA, CMA
Interim President and Chief Executive Officer

Denis P. Lavallée, CPA, CA
Controller

Winnipeg, Canada
July 11, 2017

INDEPENDENT AUDITOR'S REPORT

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Fisheries, Oceans and the Canadian Coast Guard

Report on the Financial Statements

I have audited the accompanying financial statements of the Freshwater Fish Marketing Corporation, which comprise the statement of financial position as at 30 April 2017, and the statement of comprehensive income, statement of changes in equity and statement of 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 International Financial Reporting 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Freshwater Fish Marketing Corporation as at 30 April 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 2 in the financial statements which indicates that the Province of Manitoba intends to withdraw from its agreement to participate in the *Freshwater Fish Marketing Act*. Manitoba fishers supply approximately 80 percent of the Corporation's raw materials. These conditions, as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Freshwater Fish Marketing Corporation's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Freshwater Fish Marketing Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Freshwater Fish Marketing Act* and regulations, the by-laws of the Freshwater Fish Marketing Corporation, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

HMcManaman

Heather McManaman, CPA, CA
Principal
for the Auditor General of Canada

11 July 2017
Halifax, Canada

STATEMENT OF FINANCIAL POSITION

As at April 30, 2017
(in thousands of Canadian dollars)

	2017	2016
ASSETS		
Current		
Cash	$ 1,601	$ 1,172
Accounts receivable (Note 6)	10,239	8,727
Prepaid expenses	164	124
Inventories (Note 7)	19,591	19,687
	31,595	29,710
Non-current		
Property, plant and equipment (Note 8)	20,162	19,874
Intangible assets (Note 9)	144	113
	20,306	19,987
Total Assets	**$ 51,901**	**$ 49,697**
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 6 and 10)	$ 5,699	$ 5,693
Accrued obligation for employee benefits (Note 12)	560	587
Provision for final payment to fishers	3,500	3,000
Loans payable (Notes 6 and 11)	23,574	24,561
Provision for environmental liability (Note 17)	434	1,046
Derivative-related liabilities (Note 6)	1,318	1,297
	35,085	36,184
Non-current		
Deferred tax liabilities (Note 15)	1,673	1,399
Accrued obligation for employee benefits (Note 12)	222	226
	1,895	1,625
Equity		
Retained earnings	14,921	11,888
Total Liabilities and Equity	**$ 51,901**	**$ 49,697**

Commitments and contingencies (Note 17)

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors:

David Bevan
Chairperson, Board of Directors

John Wood
Board Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended April 30, 2017
(in thousands of Canadian dollars)

	2017	2016
Sales		
Export	$ 63,805	$ 63,149
Domestic	12,024	10,023
	75,829	73,172
Cost of sales		
Opening inventory of processed fish products	18,639	15,405
Add fish purchases and processing expenses:		
Fish purchases	32,059	32,566
Plant salaries, wages and benefits	12,146	13,032
Packing allowances and agency operating costs	4,474	4,830
Packaging and storage	4,743	4,877
Freight	2,842	2,674
Repairs and maintenance, Winnipeg plant	1,445	1,544
Utilities and property taxes	1,271	1,534
Depreciation of production assets (Note 8)	1,411	1,489
Other	816	977
	79,846	78,928
Less ending inventory of processed fish products, net of write-downs (Note 7)	(18,497)	(18,639)
	61,349	60,289
Gross profit on operations	**14,480**	**12,883**
Marketing and administrative expenses		
Salaries and benefits	3,185	3,206
Commissions (Note 13)	1,302	1,176
Data processing, office and professional services	1,305	847
Advertising and promotion	238	251
Meeting fees and expenses	71	44
Other	189	128
Depreciation and amortization of administration assets (Notes 8 and 9)	117	99
	6,407	5,751
Other income and expenses		
Net foreign exchange (gain) loss (Note 6)	(226)	207
Net financial derivative loss (Note 6)	20	191
Provision for environmental liability (Note 17)	-	1,046
Other revenue (Note 14)	(1,201)	(1,241)
Other expenses (Note 14)	1,197	1,127
Finance income	(11)	(8)
Finance costs	678	665
	457	1,987
Profit before provision for final payment to fishers and income tax	**7,616**	**5,145**
Provision for final payment to fishers	3,500	3,000
Income tax expense (Note 15)	1,083	609
Total comprehensive income	**$ 3,033**	**$ 1,536**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended April 30, 2017
(in thousands of Canadian dollars)

	2017	2016
Retained earnings at the beginning of the year	$ 11,888	$ 10,352
Total comprehensive income	3,033	1,536
Retained earnings at the end of the year	**$ 14,921**	**$ 11,888**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended April 30, 2017
(in thousands of Canadian dollars)

	2017	2016
Operating activities		
Comprehensive income for the year	$ 3,033	$ 1,536
Add (deduct) items not affecting cash:		
Future tax expense (recovery)	274	(403)
Depreciation and amortization	1,672	1,705
Loss (gain) on disposal of property, plant and equipment	107	(4)
Write-down of inventory	2,339	3,501
Unrealized foreign exchange loss on US$ promissory note	446	194
Increase in derivative-related liabilities	21	191
Increase in provision for final payment to fishers	500	-
Increase in provision for environmental liability	-	1,046
Net changes in non-cash working capital:		
Increase in accounts receivable	(1,512)	(2,083)
Increase in inventories	(2,243)	(6,925)
Increase in prepaid expenses	(40)	(56)
(Decrease) increase in accounts payable and accrued liabilities	(392)	1,600
Decrease in provision for environmental liability	(612)	-
Decrease in accrued obligation for employee benefits	(31)	(79)
Cash provided by operating activities	**3,562**	**223**
Investing activities		
Additions to property, plant and equipment and intangible assets	(1,858)	(2,319)
Proceeds on disposal of property, plant and equipment	158	8
Cash used in investing activities	**(1,700)**	**(2,311)**
Financing activities		
Loans payable issued	-	4,000
Repayment of loans	(1,433)	(933)
Cash (used in) provided by financing activities	**(1,433)**	**3,067**
Increase in cash during the year	**429**	**979**
Cash at the beginning of the year	1,172	193
Cash at the end of the year	**$ 1,601**	**$ 1,172**
Supplementary information:		
Interest paid	$ 517	$ 505

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

April 30, 2017
(in thousands of dollars)

1. NATURE AND DESCRIPTION OF THE CORPORATION

The Freshwater Fish Marketing Corporation was established in 1969 pursuant to the *Freshwater Fish Marketing Act* for the purpose of marketing and trading in fish, fish products and fish by-products in and outside of Canada.

The Corporation is required to purchase all fish legally caught in the freshwater region, which currently encompasses the provinces of Alberta and Manitoba and the Northwest Territories. Participation of these provinces and territory was established by agreement with the Government of Canada. The Corporation is required to conduct its operations on a self sustaining basis without appropriations from Parliament. In accordance with the *Freshwater Fish Marketing Act*, the legislative borrowing limit of the Corporation is $50 million. As at April 30, 2017, the total borrowings of the Corporation may not exceed $32.9 million as authorized by the Minister of Finance.

The address of the Corporation's registered office and principal place of business is 1199 Plessis Road in Winnipeg, Manitoba. The Corporation is an agent Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. The Corporation is a prescribed federal Crown corporation for tax purposes and is subject to federal income tax under the *Income Tax Act*.

In July 2015, the Corporation was issued a directive (P.C. 2015-1108) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in the Corporation's next corporate plan. The Corporation is planning to achieve full implementation of this directive by October 2017.

2. FUTURE OF THE CORPORATION

In August 2016, the Province of Manitoba gave notice to the Government of Canada of its intent to withdraw from its agreement to participate in the *Freshwater Fish Marketing Act* and introduced Bill 23 to amend *The Fisheries Act* (Manitoba) on March 15, 2017. This Bill will remove Manitoba from the participation agreement it entered into under the *Freshwater Fish Marketing Act* and Manitoba will no longer be a participating province under that Act.

The Province's withdrawal presents a significant risk to the Corporation's operations and financial sustainability because Manitoba fishers supply approximately 80 percent of the Corporation's raw materials. The Corporation's 2017-18 to 2021-22 Corporate Plan, which has been submitted to the Minister for approval, proposes a revised business model for the Corporation given Manitoba's intent to withdraw its participation in the *Freshwater Fish Marketing Act*.

The Corporation is working with affected stakeholders to prepare for the transition to an open market environment in Manitoba. Securing a steady supply of fish to utilize the processing infrastructure at the Winnipeg plant and meet commitments to customers in world markets is a priority for the Corporation. As such, the Corporation has begun entering into long-term supply contracts with Manitoba fishers as it has with Saskatchewan fishers following that province's withdrawal from its participating agreement in 2012. To date, a significant number of Manitoba fishers have signed such agreements.

These financial statements do not include any adjustments to the carrying value of assets and liabilities and the reported revenues and expenses that might be necessary if the Corporation was not successful in achieving the above.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements were prepared on the historical cost basis, except for derivative instruments which were measured at fair value.

The significant accounting policies summarized below have been applied consistently to all periods presented in the financial statement balances.

Unless otherwise stated, these financial statements are presented in thousands of Canadian dollars, which is the functional currency of the Corporation.

The financial statements were approved and authorized for issue by the Board of Directors of the Corporation on July 11, 2017.

3.2 Cash

Cash is composed of money in the bank.

3.3 Accounts receivable

Accounts receivable are recognized at their anticipated realizable value, which is the original invoice amount less an estimated allowance for impairment loss on these receivables. An estimated impairment loss on receivables is made when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables.

3.4 Inventories

Processed fish products are recorded at the actual cost of fish purchases throughout the year plus direct labour and overhead directly related to processing. The Corporation uses a weighted-average cost formula to assign fixed and variable overhead costs to processed fish product inventory. At the reporting date inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Inventory write-downs and reversals of write-downs are included in cost of sales in the statement of comprehensive income.

3.5 Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.5.1 Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the net carrying amount on initial recognition.

3.6 Financial assets

The Corporation's financial assets are classified into the following specified categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis.

3.6.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment write-downs. Assets in this category include accounts receivable and are classified as current assets in the statement of financial position.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be insignificant.

3.6.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking;
- it is a derivative that is not designated or effective as a hedging instrument; or
- a financial asset other than a financial asset held for trading may be designated as FVTPL upon initial recognition.

Financial assets classified as FVTPL are presented at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 6.2.

The Corporation has not designated any financial assets as FVTPL.

3.6.3 Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the debtor;
- breach of contract, such as a default or delinquency in payments;
- it becoming probable that the debtor will enter bankruptcy or financial re-organization; or
- significant decrease in creditworthiness of the debtor.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the bad debt. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3.6.4 Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

3.7 Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

3.7.1 Financial liabilities at fair value through profit or loss

Financial liabilities are classified as FVTPL when the financial liability is either held for trading or it is designated as FVTPL.

A financial liability is classified as held for trading using the same criteria described in Note 3.6.2 for a financial asset classified as held for trading.

The Corporation has not designated any financial liabilities as FVTPL at the end of the reporting period.

Financial liabilities classified as FVTPL are presented at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 6.2.

3.7.2 Other financial liabilities

Other financial liabilities are initially measured at fair value net of transaction costs. Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

3.7.3 Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when the Corporation's obligations are discharged, cancelled or they expire.

3.8 Derivative financial instruments

The Corporation selectively utilizes derivative financial instruments primarily to manage financial risks and to manage exposure to fluctuations in foreign exchange rates and interest rates. The Corporation's policy is not to enter into derivative instruments for trading or speculative purposes.

Derivatives are initially recognized at fair value when the Corporation becomes a party to the contractual provisions of the instrument and are subsequently remeasured to their fair value at the end of each reporting period. The hedges entered into represent economic hedges. Attributable transaction costs are recognized in profit or loss as incurred. The resulting gain or loss is recognized in profit or loss immediately.

A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability on the statement of financial position if the remaining contractual maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3.9 Capital assets

3.9.1 Asset recognition

Property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses. Costs include directly attributable costs. The cost of self-constructed assets includes the cost of materials and direct labour, and other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after May 1, 2010.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.9.2 Depreciation

Depreciation is based on the estimated useful lives of the assets using the straight-line method.

Buildings:	Lake stations and other building improvements	5 to 65 years
	Plant	40 years
Equipment:	Machinery and office equipment	3 to 40 years
	Automotive	5 years
Fresh fish delivery tubs/totes		3 to 10 years
Vessels		3 to 35 years

The cost for plant assets being upgraded or purchased that are not yet operational are charged to construction in progress. When the assets become operational, the cost is transferred to the appropriate property, plant and equipment classification and depreciated accordingly.

Freehold land is not depreciated.

Useful lives, residual values and depreciation methods are reviewed at each reporting period and necessary adjustments are recognized on a prospective basis as changes in estimates.

3.9.3 Subsequent costs

Repairs and maintenance costs are expensed when incurred.

Costs incurred on a replacement part for property, plant and equipment are recognized in the carrying amount of the affected item when the costs are incurred.

The costs of major inspections or overhauls are recognized in the carrying amount of the item or as a replacement. Any remaining carrying amount of the cost of the previous inspection is derecognized.

3.9.4 Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no further future economic benefit is expected from its use or disposal. The gain or loss on disposal or retirement of an item is determined to be the difference between the net disposal proceeds, if any, and the carrying amount of the item.

3.10 Intangible assets

Intangible assets include costs associated with information systems software, including initial set-up and configuration costs. These costs are amortized, after technological feasibility is established, using a straight-line method over the estimated useful life of five years. The Corporation has no indefinite intangible assets. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting period. If the expected useful life of the asset is different from previous estimates, the amortization period shall be changed accordingly on a prospective basis as a change in estimate.

3.11 Impairment of tangible and intangible assets

The Corporation assesses at each reporting date whether there is an indication that an asset may be impaired. If such an indication exists, or when annual testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Value in use is determined by discounting estimated future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Corporation bases its impairment calculation on a detailed budget and forecast to which the assets are allocated. The budget and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss is recognized in the statement of comprehensive income if an asset's carrying amount is higher than its recoverable amount. Impairment losses are recognized in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Corporation estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in a prior period. Such a reversal is recognized in the statement of comprehensive income.

3.12 Payments to fishers and retained earnings

The Corporation purchases fish at initial prices established by the Board of Directors based upon operational forecasts prepared by the Corporation and the cost of such purchases is included in cost of sales. Final payments to fishers, if any, are approved by the Board of Directors. The Corporation recognizes the final payment to fishers as a liability in the statement of financial position and as an expense on the statement of comprehensive income.

A final payment to fishers is calculated based on the following formula: Annual comprehensive income before income tax plus annual depreciation less the three-year rolling average (the current and previous two fiscal years) of cash purchases of capital assets.

However, regardless of the formulated final payment calculation, the Board of Directors reserves final decision as to when and how much cash and/or retained earnings will be distributed to fishers in the form of a final payment.

3.13 Foreign currency translation

Revenues and expenses are translated into Canadian dollars using the monthly average exchange rate for the month in which the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the reporting date. All foreign exchange gains and losses incurred are included in net foreign exchange gain or loss in the statement of comprehensive income.

3.14 Employee benefits

3.14.1 Current employee benefits

Current employee benefits are employee benefits that are due to be settled within twelve months after the end of the period in which the employees render their related service. The Corporation's current benefits include wages and salaries, annual leave and other types of current benefits.

The Corporation recognizes the undiscounted amount of current employee benefits earned by an employee in exchange for services rendered during the period as a liability in the statement of financial position, after deducting any amounts already paid as an expense in profit and loss.

3.14.2 Pension benefits
Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent a pension obligation of the Corporation.

The accrued obligation for employee benefits includes the net present value of the liability for the employer's cost of buyback service related to an agreement with the Corporation's union that established the employment status of its fish plant employees on a go forward basis and retroactively to April 1, 1973. The Corporation is required to fund the employer's portion of any employee contributions that arise from this agreement.

3.14.3 Accrued obligation for workers' compensation
The Corporation is subject to the *Government Employees Compensation Act* and, therefore, is self-insured for benefits for work-related injuries of the employees of the Freshwater Fish Marketing Corporation. As a self-insured employer, the Corporation is accountable for all such liabilities incurred since incorporation. Liabilities for workers' compensation benefits are recorded based on known injuries or illnesses that have occurred.

The accrued obligation for workers' compensation represents the actuarially determined net present value of liabilities for benefits for work-related injuries of the employees of the Freshwater Fish Marketing Corporation when awards are approved by the Workers Compensation Board of Manitoba, or when legislative amendments are made and the anticipated future costs can be reasonably calculated.

Changes in the net present value of this unfunded liability are based on updated actuarial estimates of future costs as a result of actual experience and changes in actuarial assumptions. Adjustments arising from actuarial gains and losses are recognized in the year in which they occur.

3.14.4 Accrued obligation for sick leave benefits
The Corporation's sick leave benefit plan provides accumulating sick leave benefits to eligible employees. The plan is an unfunded defined benefit plan paid on a cash basis by contributions from the Freshwater Fish Marketing Corporation.

The accrued obligation for sick leave benefits represents the actuarially determined net present value of liabilities for sick leave benefits for eligible employees of the Freshwater Fish Marketing Corporation.

Changes in the net present value of this unfunded liability are based on updated actuarial estimates of future costs as a result of actual experience and changes in actuarial assumptions. Adjustments arising from actuarial gains and losses are recognized in the year in which they occur.

3.15 Revenue recognition
Sales, net of promotional allowances and sales returns, are recorded on an accrual basis and are recognized when all of the following criteria have been satisfied:

- the Corporation has transferred to the buyer the significant risks and rewards of ownership;
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.16 Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Corporation expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.17 Income tax

Income tax expense comprises the sum of the tax currently payable and deferred tax.

3.17.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.17.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.17.3 Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities. The estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances, the results of which form the basis of making assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effect on the financial statements relate to the following:

4.1.1 Impairment of non-financial assets

The Corporation's impairment test is based on value in use calculations that use a discounted cash flow model. The cash flows are derived from the budget for the next five years and are sensitive to the discount rate used as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Refer to Note 3.11.

4.1.2 Capital assets

Capital assets, comprising property, plant and equipment and intangible assets with finite useful lives are depreciated or amortized over their useful lives. Useful lives are based on management's estimates of the periods of service provided by the assets. The useful lives of these assets are periodically reviewed for continued appropriateness. Changes to the useful life estimates would affect future depreciation and amortization expense and the future carrying value of assets. Refer to Notes 3.9.2 and 3.10.

4.1.3 Inventory valuation allowance

Inventory valuation allowance is estimated for slow moving or obsolete inventories. Management reviews the estimation regularly. Any change in the estimation will impact the inventory valuation allowance.

4.1.4 Income tax

The Corporation operates in a jurisdiction which requires calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Liabilities are recognized for anticipated tax exposures based on estimates of the additional taxes that are likely to become due. Where the final tax outcome of these matters is different from the amount that was initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax liabilities are comprised of temporary differences between the carrying values and tax basis of liabilities. The timing of the reversal of temporary differences may take many years and the related deferred tax is calculated using substantively enacted tax rates for the related period.

If future outcomes were to adversely differ from management's best estimate of future results from operations affecting the timing of reversal of deductible temporary differences, the Corporation could experience material deferred income tax adjustments. Such deferred income tax adjustments would not result in an immediate cash outflow nor would they affect the Corporation's immediate liquidity.

5. APPLICATION OF NEW AND REVISED IFRS

5.1 New and revised IFRS affecting amounts reported and/or disclosed in the financial statements

In the current year, the Corporation reviewed new and revised IFRS issued by the International Accounting Standards Board (IASB) that became effective during the year ended April 30, 2017. The new and revised IFRS did not have any impact on the Corporation's financial statements.

5.2 New and revised IFRS issued but not yet effective

The Corporation reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation's financial statements in future years.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the complete version of IFRS 9, "Financial Instruments", first issued in November 2009, which brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a principles-based approach to the classification of financial assets based on an entity's business model and the nature of the cash flows of the asset. The mandatory effective date of IFRS 9 is January 1, 2018.

The Corporation is currently evaluating the impact of the adoption of IFRS 9 on its financial statements; therefore, the impact is not known at this time.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers", which establishes principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The mandatory effective date of IFRS 15 is January 1, 2018.

The Corporation has not assessed the impact of the adoption of IFRS 15 on its financial statements; however, adoption of the amendment is not expected to have a significant impact on the Corporation's financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, "Leases", which sets out the principles that both parties to a contract apply in order to provide relevant information about leases in a manner that faithfully represents those transactions. IFRS 16 requires all significant leases to be reported on the lessee's statement of financial position. There are also changes in accounting over the life of the lease. In particular, the lessee will recognize a front-loaded pattern of expense for most leases, even when it pays constant annual rentals. Lessors' accounting treatment remains similar to current practice. They continue to classify leases as finance and operating leases. The mandatory effective date of IFRS 16 is January 1, 2019.

The Corporation has not assessed the impact of the adoption of IFRS 16 on its financial statements; however, adoption of the amendment is not expected to have a significant impact on the Corporation's financial statements.

IAS 7 Statement of Cash Flows

In January 2016, the IASB amended IAS 7, "Statement of Cash Flows", which requires an entity to present a statement of cash flows as an integral part of its primary financial statements. These narrow-scope amendments to IAS 7 requires entities to disclose information about changes in their financing liabilities as part of this statement. The mandatory effective date of the amendment is January 1, 2017.

The Corporation is currently evaluating the impact of the adoption of the IAS 7 amendments on its financial statements; therefore, the impact is not known at this time.

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

6.1 Capital risk management

The Corporation is subject to the *Freshwater Fish Marketing Act* and the *Financial Administration Act* and any directives issued pursuant to these acts. These Acts affect how the Corporation manages its capital by, among other things, setting broad objectives for the Corporation. Specifically, the Corporation must have regard for the need to conduct its operations on a self-sustaining financial basis while generating a return to fishers.

The Corporation defines and computes its capital as follows:

		2017		2016
Retained earnings	$	14,921	$	11,888
Loans payable		23,574		24,561
	$	38,495	$	36,449

The Corporation's objectives in managing its capital are to:

- provide sufficient liquidity to support its financial obligations and its operating and strategic plans;
- generate increasing returns to the fishers; and
- maintain financial capacity and access to credit facilities to support future development of the business, including for capital expenditures.

During the year, the Corporation primarily relied on cash flows provided by operating activities to support its objectives.

The Corporation's ability to obtain additional capital is subject to market conditions and pursuant to the provisions of the above-noted acts. The limitations on the borrowings of the Corporation and its access to credit facilities are outlined in Note 1. Pursuant to Part X of the *Financial Administration Act*, the Corporation must indicate its intention to borrow money in its annual corporate plan, or in an amendment thereto, which are subject to the approval of the Board of Directors and the Governor in Council. The timing of future borrowings is not determinable.

These objectives and strategies are reviewed during the annual corporate planning process and are approved by the Minister of Finance. Borrowings must also be approved by the Board of Directors. The Corporation's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2016 as payouts to fishers are based on annual comprehensive income before income tax plus annual depreciation less the three-year rolling average of cash purchases of capital assets.

The Corporation is not subject to any externally imposed capital requirements.

6.2 Classification and fair value measurements of financial instruments

6.2.1 Carrying amount and fair value of financial instruments

The carrying amounts of the Corporation's financial assets and financial liabilities approximate the fair values of the financial assets and liabilities.

The Corporation did not have any held-to-maturity or available-for-sale financial assets at the end of the reporting period presented.

The Corporation estimated the fair values of its financial instruments as follows:

i) The carrying amounts of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values as a result of the relatively short-term nature of these financial instruments.

ii) The fair value of loans payables has been estimated based on a discounted cash flow approach using current market rates appropriate as at the respective date presented.

iii) The fair values of the Corporation's foreign currency forward and interest rate swap contracts are based on estimated credit-adjusted market prices. The Corporation takes counterparty risk and its own risk into consideration for the fair value of financial instruments.

6.2.2 Fair value hierarchy

Financial instruments, other than those that are not subsequently measured at fair value and for which fair value approximates carrying value, whether or not they are carried at fair value in the statement of financial position, must have their fair value disclosed and be classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair value measurement of cash is classified as Level 1 of the fair value hierarchy as at April 30, 2017 and 2016. The fair value measurements of all other financial instruments held by the Corporation are classified as Level 2 of the fair value hierarchy as at April 30, 2017 and 2016.

There were no transfers of financial instruments between levels during the year ended April 30, 2017.

The fair value measurements of the derivative financial instruments as recorded in the statement of financial position are classified as follows:

	2017	2016
Derivative-related liabilities	$ 1,318	$ 1,297

6.2.3 Finance costs

The Corporation has recorded finance costs in relation to the following financial instruments:

	2017	2016
Interest expense on loans and other payables	$ 678	$ 665

6.3 Financial risk management objectives and framework

The Corporation has exposure to the following risks from its use of financial instruments:

i) credit risk

ii) liquidity risk

iii) market risk (includes currency risk and interest rate risk)

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Audit and Risk Committee assists the Board of Directors and is responsible for review, approval and monitoring the Corporation's risk management policies including the development of a risk management program which involves establishing corporate risk tolerance, identifying and measuring the impact of various risks, and developing risk management action plans to mitigate risks that exceed corporate risk tolerance. The Audit and Risk Committee regularly reports to the Board of Directors on its activities.

6.3.1 Credit risk management

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's cash, accounts receivable and derivative financial instruments. The Corporation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored.

The carrying amount of financial assets recorded in the financial statements represents the maximum risk exposure.

Accounts receivable

The Corporation's exposure to credit risk associated with accounts receivable is influenced mainly by the demographics of the Corporation's customer base, including the risk associated with the type of customer and the country in which customers operate.

The Corporation manages this risk by monitoring the creditworthiness of customers. The Corporation has established processes when dealing with foreign customers in order to manage the risk relating to foreign customers. The Corporation's management reviews the detailed accounts receivable listing on a regular basis for changes in customer balances which could present collectability issues.

The maximum exposure to credit risk for accounts receivable by geographic region was as follows:

	2017			2016		
	Original currency (CAD $)	Original currency (U.S. $)	(CAD $)	Original currency (CAD $)	Original currency (U.S. $)	(CAD $)
Canada	$ 1,088	$ 111	$ 1,240	$ 571	$ -	$ 571
United States	49	3,835	5,289	232	4,088	5,362
Europe	1,771	640	2,647	2,043	265	2,376
Non-trade accounts receivable	1,063	-	1,063	418	-	418
			$ 10,239			$ 8,727

Accounts receivable are classified as loans and receivables and are measured at amortized cost.

At April 30, 2017, five customers represented 41% of the total accounts receivable balance. At April 30, 2016, four customers represented 34% of the total accounts receivable balance. Customers primarily represent distributors.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current business and geopolitical climate, customer and industry concentrations and historical experience.

The aging of accounts receivable, net of allowance, is as follows:

	2017	2016
Current 0-30 days	$ 8,272	$ 6,767
Past due 31-60 days	390	673
Past due over 61 days	514	869
Non-trade accounts receivable	1,063	418
	$ 10,239	$ 8,727

The Corporation does not hold any collateral in respect of accounts receivable.

Cash

The Corporation manages its exposure to credit risk for its cash by depositing only with creditworthy counterparties, such as major Canadian financial institutions. The maximum exposure to credit risk for cash at April 30, 2017 was $1,601 (2016 – $1,172).

Derivative financial instruments

The Corporation manages its exposure to credit risk on its derivative financial instruments by contracting only with creditworthy counterparties, such as major Canadian financial institutions. The maximum exposure to credit risk for derivatives at the reporting date was nil (2016 – nil).

6.3.2 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk by continuously monitoring actual and forecasted cash flows to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The following table presents the earliest possible contractual maturities for accounts payable and accrued liabilities, derivative financial liabilities and loans payable as at April 30. The Corporation's expected cash flows on certain instruments vary significantly from this analysis. For example, loans that are callable in nature are included in the earliest time band.

2017

	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 3,712	$ 854	$ 1,133	$ -	$ -	$ 5,699
Derivative-related liabilities	81	127	266	610	285	1,369
Loans payable (Note 11)	23,574	-	-	-	-	23,574
Total	$ 27,367	$ 981	$ 1,399	$ 610	$ 285	$ 30,642

2016

	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 2,629	$ 253	$ 2,811	$ -	$ -	$ 5,693
Derivative-related liabilities	21	63	176	730	307	1,297
Loans payable (Note 11)	19,541	5,020	-	-	-	24,561
Total	$ 22,191	$ 5,336	$ 2,987	$ 730	$ 307	$ 31,551

6.3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Corporation's future cash flows or the fair values of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

Foreign exchange risk

The Corporation is exposed to currency risk on a significant portion of its sales transactions which are denominated in U.S. dollars. The Corporation manages its exposure to exchange rate fluctuations between U.S. and the Canadian dollar by entering into currency forward contracts. A portion of loans payable are U.S. dollar denominated (Note 11).

The net foreign exchange gain of $226 (2016 – loss of $207) represents the net realized and unrealized gains and losses on settlement of financial instruments.

The Corporation is exposed to currency risk through its cash, accounts receivable, accounts payable, and accrued liabilities and loans payable as follows:

(in U.S. $ thousands)		2017		2016
Cash	$	1,272	$	895
Accounts receivable		4,586		4,265
Accounts payable and accrued liabilities		(503)		(52)
Loans payable		(4,000)		(4,000)
Net assets exposed to currency risk	$	1,355	$	1,108

Based on the net exposure, including the derivative financial instruments described above and assuming that all other variables remain constant, a hypothetical 10 percent appreciation in the Canadian dollar against the U.S. dollar would result in a decrease in comprehensive income of $136 (2016 – decrease of $111). A hypothetical 10 percent depreciation in the Canadian dollar against the U.S. dollar would result in an increase in comprehensive income of $136 (2016 – increase of $111).

Interest rate risk

The Corporation is exposed to interest rate risk on its loans payables of $12,808 (2016 – $13,742). The Corporation manages its exposure to fluctuations of interest rates by entering into interest rate swaps that are approved by the Board of Directors.

The Corporation uses an interest rate swap to limit exposure to fluctuations in interest rates. Interest rate swaps are contracts that provide the Corporation with the ability to exchange a floating payment for a fixed payment that is linked to an interest rate.

An increase of 100 basis points in interest rates at the reporting date would increase comprehensive income by $734 (2016 – $898) and equity by $734 (2016 – $898). A decrease of 100 basis points in interest rates at the reporting date would decrease comprehensive income by $831 (2016 – $1,008) and equity by $831 (2016 – $1,008).

The Corporation also uses such contracts in the process of managing its overall cash requirements. Included on the statement of financial position are derivative-related liabilities of $1,318 (2016 – $1,297) representing the fair value of derivative financial instruments held:

		2017		2016
At maturity variable rate forwards	$	236	$	-
Interest rate swaps		1,082		1,297
	$	1,318	$	1,297

Notional principal amounts outstanding are listed below for interest rate swap contracts entered into by the Corporation:

		2017		2016
At maturity variable rate forwards	$	10,750	$	-
Interest rate swaps		12,808		13,742
	$	23,558	$	13,742

The net financial derivative loss of $20 (2016 – loss of $191) represents the change in fair value of the interest rate swap.

Other price risk

The Corporation does not believe it is exposed to any other significant price risk in relation to its financial instruments.

7. INVENTORIES

	2017	2016
Supplies	$ 1,094	$ 1,048
Processed fish products	20,836	22,140
Write-down of processed fish products in the year	(2,339)	(3,501)
	$ 19,591	$ 19,687

Inventory write-downs of $2,339 (2016 – $3,501) are included in inventory values in the cost of sales. The amount of inventories recognized as an expense during the year is $61,349 (2016 – $60,289). There is no pledged collateral in respect of inventory. There were no prior write-downs reversed in the current year.

8. PROPERTY, PLANT AND EQUIPMENT

	2017	2016
Cost	$ 44,391	$ 42,677
Accumulated depreciation	(24,229)	(22,803)
Carrying amount	**$ 20,162**	**$ 19,874**

Carrying amount by asset class		
Land	$ 336	$ 336
Building	5,444	5,146
Equipment	11,581	10,911
Fresh fish delivery tubs/totes	138	123
Vessels	2,660	2,164
Construction in progress	3	1,194
Carrying amount	$ **20,162**	$ **19,874**

Cost	**Land**	**Buildings**	**Equipment**	**Fresh fish delivery tubs/totes**	**Vessels**	**Construction in progress**	**Total**
Balance at May 1, 2015	$ 336	$ 13,737	$ 21,515	$ 1,295	$ 3,433	$ 121	$ 40,437
Additions	-	235	1,065	28	13	1,057	2,398
Transfers	-	-	(96)	-	-	16	(80)
Disposals	-	-	(78)	-	-	-	(78)
Balance at April 30, 2016	336	13,972	22,406	1,323	3,446	1,194	42,677
Additions	-	299	1,202	39	617	-	2,157
Transfers	-	366	825	-	-	(1,191)	-
Disposals	-	-	(443)	-	-	-	(443)
Balance at April 30, 2017	**$ 336**	**$ 14,637**	**$ 23,990**	**$ 1,362**	**$ 4,063**	**$ 3**	**$ 44,391**

Accumulated depreciation	Land	Buildings	Equipment	Fresh fish delivery tubs/totes	Vessels	Construction in progress	Total
Balance at May 1, 2015	$ -	$ 8,452	$ 10,487	$ 1,135	$ 1,162	$ -	$ 21,236
Depreciation	-	374	1,082	65	120	-	1,641
Disposals	-	-	(74)	-	-	-	(74)
Balance at April 30, 2016	-	8,826	11,495	1,200	1,282	-	22,803
Depreciation	-	367	1,092	24	121	-	1,604
Disposals	-	-	(178)	-	-	-	(178)
Balance at April 30, 2017	**$ -**	**$ 9,193**	**$ 12,409**	**$ 1,224**	**$ 1,403**	**$ -**	**$ 24,229**
Carrying amount at April 30, 2017	**$ 336**	**$ 5,444**	**$ 11,581**	**$ 138**	**$ 2,660**	**$ 3**	**$ 20,162**

Depreciation expense is recorded on the statement of comprehensive income in cost of sales (2017 – $1,411; 2016 – $1,489), in marketing and administrative expenses (2017 – $49; 2016 – $35) and in other expenses (2017 – $144; 2016 – $117).

The Corporation recorded an impairment loss of nil (2016 – $96) that is included in Repairs and maintenance, Winnipeg plant on the statement of comprehensive income.

No property, plant and equipment were pledged as security for borrowing as at April 30, 2017.

9. INTANGIBLE ASSETS

Information systems software	2017	2016
Cost	$ 558	$ 459
Accumulated amortization	(414)	(346)
Carrying amount	**$ 144**	**$ 113**

Cost	
Balance at May 1, 2015	$ 458
Additions	1
Transfers	-
Disposals	-
Balance at April 30, 2016	459
Additions	99
Disposals	-
Balance at April 30, 2017	**$ 558**

Accumulated amortization	
Balance at May 1, 2015	$ 282
Amortization	64
Disposals	-
Balance at April 30, 2016	346
Amortization	68
Disposals	-
Balance at April 30, 2017	**$ 414**
Carrying amount at April 30, 2017	**$ 144**

Amortization of intangible assets is recorded on the statement of comprehensive income in marketing and administrative expenses (2017 – $68; 2016 – $64).

No indicators of impairment were identified for intangible assets as at April 30, 2017.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2017		2016
Canadian dollars	$	5,018	$	5,628
Denominated in U.S. dollars		681		65
Total accounts payable and accrued liabilities	**$**	**5,699**	**$**	**5,693**

11. LOANS PAYABLE

		2017		2016
Promissory note	$	5,466	$	5,020
Bankers' acceptances		18,108		19,541
Total loans payable	**$**	**23,574**	**$**	**24,561**

The loans payable consist of the following borrowing facilities:

A $5,300 (2016 – $5,799) bankers' acceptance bearing interest at an annual rate of 1.49% (2016 – 1.55%) and maturing on May 4, 2017. The weighted-average interest rate during the year was 1.53% (2016 – 1.73%). Subsequent to May 4, 2017, new bankers' acceptances were entered into at a rate of 1.53%.

A $7,500 (2016 – $8,000) bankers' acceptance with an interest rate swap bearing an interest rate at 3.47% if the floating rate option on any reset date is less than or equal to 3.65%. If the floating rate option on any reset date is greater than 3.65%, the fixed rate for the calculation period is 4.22%. The Corporation hedges the loan for interest rate risk via an interest rate swap exchanging variable rate interest for fixed rate interest. The structure of the loan involves the use of a revolving bankers' acceptance and an interest rate swap to lock in the interest rate for 15 years.

A $5,308 (2016 – $5,742) bankers' acceptance with an interest rate swap bearing an interest rate at 3.50% if the floating rate option on any reset date is less than or equal to 3.80%. If the floating rate option on any reset date is greater than 3.80%, the fixed rate for the calculation period is 4.25%. The Corporation hedges the loan for interest rate risk via an interest rate swap exchanging variable rate interest for fixed rate interest. The structure of the loan involves the use of a revolving bankers' acceptance and an interest rate swap to lock in the interest rate for 12.25 years.

The principal of the bankers' acceptances as at April 30, 2017 is $18,108 (2016 – $19,541) and the fair value of the loans are $18,108 (2016 – $19,541).

A $4,000 U.S. dollar (2016 – $4,000 U.S. dollar) denominated promissory note ($5,466 Canadian dollars, 2016 – $5,020 Canadian dollars) repayable in U.S. dollars, bearing interest at an annual rate of 1.65% (2016 – 1.17%) and maturing on May 30, 2017. The weighted-average interest rate during the year was 1.34 % (2016 – 1.02%). The balance of the principal as at April 30, 2017 is $5,466 (2016 – $5,020) and the fair value of the loan is $5,466 (2016 – $5,020).

The bankers' acceptances and promissory note are authorized by the Minister of Finance (Note 1).

12. EMPLOYEE BENEFITS

12.1 Pension benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The employer's contribution rate effective at April 30, 2017 for employees enrolled in the Plan prior to January 1, 2013 was 1.01 (2016 – 1.15) and for employees enrolled in the Plan beginning January 1, 2013 was 1.0 (2016 – 1.11). Total contributions of $1,040 (2016 – $1,171) were recognized as an expense in the current year. The estimated contributions for 2017-18 are $918.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with the Canada Pension Plan benefits and are indexed to inflation.

Contributions to the Public Service Pension Plan consisted of:

		2017		**2016**
Contributions by the Corporation	$	1,040	$	1,171
Contributions by employers	$	955	$	952

Effective June 1, 2007, the Corporation concluded an agreement with its union that established the employment status of its fish plant employees on a go forward basis and retroactively to April 1, 1973. During 2011, the Corporation agreed to terms with the Public Service Pension Centre (PSPC) that established the manner in which the Corporation will document cases for employees who should become members under the *Public Service Superannuation Act* (PSSA) retroactively and on a go forward basis. It also established how the PSPC will deal with those cases in establishing the pension status of the Corporation's fish plant employees. The PSPC establishes the employee's eligibility to contribute, the periods of service countable for pension purposes and the periods of service that an employee can buy back. As employee contributions are made to the pension plan, the Corporation is required to fund the employer's portion of these contributions.

		2017		**2016**
Accrued liability for the Corporation's cost of buyback service	$	146	$	173
Less: current portion		15		28
Non-current portion	**$**	**131**	**$**	**145**

The Corporation estimates that it has a discounted pension obligation of $146 for future matching contributions required under this agreement.

12.2 Accrued obligation for sick leave benefits and workers' compensation

The Corporation's accrued obligation for sick leave benefits provides accumulating sick leave benefits to eligible employees. The liability was actuarially determined as the present value of all future payouts, multiplied by the employee's service at the valuation date to the employee's service at the date when the employee is eligible for the benefit and considered the current balances in any sick leave banks, the annual accumulation of net sick leave credits and the future entitlement to, or utilization of, sick leave benefits.

The Corporation's accrued obligation for workers' compensation represents the unfunded liability for the costs of benefits specified and administered by the Workers Compensation Board of Manitoba for work-related injuries of Freshwater Fish Marketing Corporation employees. The actuarially determined liability consists of long-term pension awards and temporary compensation costs related to future claims payment administration by the Workers Compensation Board of Manitoba.

The actuary used assumptions, as agreed with management, in the calculation of the liabilities including inflation rates, interest rates, mortality rates and aggregate claim projections for incidents which have occurred for the workers' compensation liability. The actuarial liability could be materially different if assumptions on which the valuation is based vary significantly in future years. Changes in the liability are recognized based on an extrapolation of actuarial results and adjustments arising from actuarial gains and losses in the year in which they occur. An actuarial valuation of the sick leave and workers' compensation liabilities was performed at April 30, 2017 to establish a measurement of these liabilities.

The statement of comprehensive income includes a charge of $265 (2016 – $150) which relates to current service costs, interest charges on the workers' compensation obligation and an actuarial gain/loss. The statement of comprehensive income also includes a credit of $23 (2016 – charge of $53), which relates to current service costs, interest cost and an actuarial gain/loss related to the sick leave liability.

The Corporation's obligation for workers' compensation and sick leave consists of the following:

	Workers' Compensation		Sick Leave	
	2017	2016	2017	2016
Actuarial value	$ 172	$ 142	$ 464	$ 498
Less: current portion	81	61	464	498
Non-current portion	$ 91	$ 81	$ -	$ -
Benefits paid	$ 235	$ 198	$ 11	$ 21

	Workers' Compensation		Sick Leave	
	2017	2016	2017	2016
Current service costs	$ 208	$ 208	$ 43	$ 42
Interest costs	7	9	17	16
Actuarial loss from demographic assumptions	-	-	16	-
Actuarial loss from financial assumptions	3	4	13	-
Actuarial loss (gain) from experience adjustments	47	(71)	(112)	(5)
Total costs	$ 265	$ 150	$ (23)	$ 53

Included in the actuarial gains and losses from financial assumptions are the adjustments due to the effect of the discount rate applied to the obligations. Actuarial gains and losses from experience adjustments are the adjustments due to the effect of differences between the previous actuarial assumptions and what has actually occurred, and the effects of changes in actuarial assumptions.

Mortality rates are a key demographic assumption used in the valuation of the workers' compensation and sick leave obligations. Tables published in February 2014 by The Canadian Institute of Actuaries were used in the valuation of the sick leave obligation. The Ontario WSIB Workers Compensation 2006-2010 mortality table projected to 2015 was used in the valuation of the workers' compensation.

The weighted-average duration of the defined benefit obligation for the workers' compensation liability is four years and seven years for the sick leave liability.

The estimated portion of the workers' compensation liability the Corporation expects to settle during the year ending April 30, 2018 is $81 and $47 for the sick leave liability.

The principal actuarial assumptions (weighted- average) used at the end of the reporting period were as follows:

	Workers' Compensation		Sick Leave	
	2017	**2016**	**2017**	**2016**
Discount rate for obligation	2.6%	3.0%	2.75%	3.2%
Rate of compensation increase			2.0%	2.0%
Health care trend	5.0%	5.0%		
All other cost indexation	2.0%	2.0%		

13. SALES COMMISSIONS

During the year, the Corporation paid commissions of $1,302 (2016 – $1,176) to foreign sales agents. Commissions are included in marketing and administrative expenses on the statement of comprehensive income.

14. OTHER REVENUE AND EXPENSES

Other revenue comprises the operation of the Poplar River Barge on Lake Winnipeg and the sale of fishing supplies to fishers. The revenue earned from the operation of the Poplar River Barge and sales of fishing supplies is $1,201 (2016 – $1,241).

Other expenses of $1,197 (2016 – $1,127) consist of costs incurred to earn revenue for the Poplar River Barge and the sales of fishing supplies to fishers.

15. INCOME TAXES

	2017	**2016**
Current income tax expense	$ 809	$ 1,012
Deferred tax expense (recovery)	$ 274	$ (403)

Income tax expense on profit before income tax differs from the amount that would be computed by applying the federal statutory income tax rate of 25.0%. The expense for the year can be reconciled to the accounting profit before tax as follows:

	2017	**2016**
Net profit before tax for the year	$ 4,116	$ 2,145
Computed tax expense (25% income tax rate)	1,029	536
Non-deductible expense	3	3
Other net amounts	51	70
Income tax expense recognized in net profit	$ 1,083	$ 609

Current tax assets and liabilities	**2017**	**2016**
Income taxes (receivable) payable	$ (160)	$ 803

The tax effects of temporary differences that give rise to deferred tax assets and liabilities are presented below:

Temporary differences for 2017	Opening balance	Recognized in profit or (loss)	Ending balance
Deferred tax assets			
Employee benefits	$ 203	$ (8)	$ 195
Foreign exchange loss	51	(91)	(40)
Financial instrument loss	324	(54)	270
Provision for environmental liability	261	(153)	108
Deferred tax liabilities			
Property, plant and equipment	(2,210)	40	(2,170)
Intangible assets	(28)	(8)	(36)
Net deferred tax liability	**$ (1,399)**	**$ (274)**	**$ (1,673)**

Temporary differences for 2016	Opening balance	Recognized in profit or (loss)	Ending balance
Deferred tax assets			
Employee benefits	$ 223	$ (20)	$ 203
Foreign exchange loss	150	(99)	51
Financial instrument loss	115	209	324
Provision for environmental liability	-	261	261
Deferred tax liabilities			
Property, plant and equipment	(2,246)	36	(2,210)
Intangible assets	(44)	16	(28)
Net deferred tax liability	**$ (1,802)**	**$ 403**	**$ (1,399)**

16. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Canada owned entities.

The Corporation enters into transactions with these entities in the normal course of business, at fair value, under the same terms and conditions that apply to unrelated parties. In accordance with the disclosure exemption regarding government-related entities, the Corporation is exempt from certain disclosure requirements of IAS 24 relating to its transactions and outstanding balances with:

- a government that has control, joint control or significant influence over the reporting entity; or
- another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Based on this exemption, as the Corporation has not entered into any transactions with these related parties which are considered to be individually or collectively significant, the Corporation has not disclosed any details of its transactions with:

- the Government of Canada, and departments and agencies thereof; or
- federal Crown corporations.

Certain members of the Board of Directors and their closely related family members are fishers who sell their catch to the Corporation. During the year, delivered fish volume by Board members and their closely related family members was 31,000 kilograms (2016 – 42,000 kilograms) valued at $67 (2016 – $85). These transactions are measured at fair value and were incurred during the normal course of business on similar terms and conditions to those entered into with unrelated parties.

Compensation of key management personnel

Compensation of key management personnel include members of the Board of Directors and executive officers of the Corporation who have the authority and responsibility for planning, directing and controlling the activities of the Corporation.

Compensation of key management personnel for the year was as follows:

		2017		2016
Total compensation paid to key management personnel	$	736	$	858

Compensation for executive officers of the Corporation is recorded on the statement of comprehensive income as salaries and benefits in marketing and administrative expenses. Compensation for members of the Board of Directors is recorded on the statement of comprehensive income as meeting fees and expenses in marketing and administrative expenses.

17. COMMITMENTS AND CONTINGENCIES

17.1 Commitments

As of April 30, 2017, the Corporation had capital commitments of nil (2016 – $141) related to plant and equipment.

As of April 30, 2017, the Corporation had operating lease commitments of $21 (2016 – $121).

17.2 Contingencies and provisions

The Corporation is involved in various legal claims arising from the normal course of business. The outcome of these claims is currently not determinable, and accordingly, no amounts have been recorded in the financial statements. Amounts payable, if any, will be recorded when any liability is considered likely and the associated costs can be reasonably estimated.

As of April 30, 2017, an environmental liability of $434 (2016 – $1,046) has been recorded for remediation of the contaminated site at Hay River, Northwest Territories. The Corporation spent $612 for site remediation during the year. There were no additional increases or decreases in the provision during the year. The Corporation expects to complete the remediation of this site within the next 12 months.

A number of other vacant facilities may contain some environmental risk with associated remediation costs. The Corporation's ongoing efforts to assess these sites may result in environmental liabilities related to the sites. A provision will be recorded when the Corporation considers that it is probable that it will remediate these contaminated sites and a reliable estimate can be determined for the amount of the obligations. As of April 30, 2017, no liability has been recognized in the financial statements for the remaining contaminated sites.

CORPORATE OFFICERS AND SENIOR MANAGEMENT

Dave Bergunder
Director, Field Operations

Rob Black
Interim Director, Sales and Marketing

Dawn Kjarsgaard
Director, Plant Operations

Denis Lavallée
Controller

Stan Lazar
Chief Financial Officer *(May 1, 2016 – January 31, 2017*)
Interim President *(February 1, 2017 – current)*

Wendy Matheson
Vice-President, Human Resources and Government Services

John Wood
Interim President *(May 1, 2016 – January 31, 2017)*

EMPLOYEE RECOGNITION

Freshwater extends gratitude to the following employees who have dedicated their careers to ensuring a dependable supply of high quality freshwater fish products, excellent customer value and maximum returns to fishers.

35+ years: Diane Cassells; Craig Prudhomme; Lorraine Young; Denise Helbren; Damian D'Souza

35 years: Glen Fricker; Warren Thomas; Frank Seepish; Janina Richards; Paul Winowich; Robert Giles; Larry Ireland; Larry Lacroix; Renato De Los Santos

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