First Quarter Report

FRESHWATER FISH MARKETING CORPORATION

July 31, 2015

Statement of Management Responsibility by Senior Officials

Management is responsible for the preparation and fair presentation of these consolidated quarterly financial statements in accordance with IAS 34 Interim Financial Reporting and requirements in the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate with the quarterly financial statements.

To the best of our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date and for the periods presented in the quarterly financial statements.

Donald R. Salkeld
President and Chief Executive Officer
Freshwater Fish Marketing Corporation

Stanley A. Lazar, CPA, CMA
Chief Financial Officer
Freshwater Fish Marketing Corporation

Winnipeg, Canada
September 17, 2015

The Freshwater Fish Marketing Corporation ("the Corporation") has prepared this report as required by section 131.1 of the *Financial Administration Act* using the standard issued by the Treasury Board of Canada. This narrative should be read in conjunction with the unaudited financial statements, the Corporation's 2015/16 – 2019/20 Corporate Plan Summary and the Corporation's 2014/15 Annual Report which includes the audited annual financial statements for the year ended April 30, 2015.

The Freshwater Fish Marketing Corporation has prepared these unaudited financial statements for the three months ended July 31, 2015 and July 31, 2014 in compliance with international Financial Reporting Standards (IFRS).

Information about the Corporation, including the Annual Report and the Corporate Plan Summary can be found at www.freshwaterfish.com once approved by the Federal government.

Quarterly Results

(in thousands)	3 months ended July 31, 2015		
	Actual	**Budget**	**Variance**
Sales Revenue	$ 18,706	$ 14,836	$ 3,870
Expenses	$ 16,375	$ 13,572	$ 2,803
Profit before income taxes	$ 2,331	$ 1,264	$ 1,067

Revenues
The Corporation's revenue was above plan for the quarter primarily due to favourable USD/CAD foreign currency exchange and increased sales volume in Whitefish and Mullet.

In the 3 months ended July 31, 2015 sales volume was 17% above plan, with sales revenue above plan by 26%. Sales volume was above plan on fresh sales for all species except walleye and sales revenue was up significantly from prior year and plan because of favourable USD/CAD foreign exchange. The foreign exchange rate the Corporation realized on its USD receivables was 30.25% at July 31, 2015, compared to 9.16% at July 31, 2014. The foreign exchange gain was $1.2 million more in the current quarter compared to the 1st quarter ended July 31, 2014, on US dollar revenue lower by 22%.

Expenses
Cost of sales for the quarter and year to date were above plan as a result of increased sales volume. The Corporation experienced greater than normal yield loss on whitefish in the quarter due to transportation and processing issues in the species.

Period expenses were 18% below plan.

Delivery Statistics

(in thousands of round equivalent kilograms)

	3 months ended July 31, 2015		
	Actual	**Budget**	**Variance**
Whitefish	1,332	830	502
Walleye	1,681	2,641	(960)
Northern Pike	236	249	(13)
Sauger	81	54	27
Mullet	430	361	69
Other	576	767	(191)
Total Deliveries	**4,336**	**4,902**	**(566)**

Forecast

Excessive inventory in whitefish and northern pike caused in part by the continuing Russian trade embargo and nearly double the deliveries of whitefish compared to plan in the first quarter may result in inventory write downs in whitefish during the remainder of the fiscal year.

Overall, deliveries in the first quarter are twelve percent below plan and seven percent below first quarter deliveries last year. Walleye deliveries are nearly forty percent below plan for the quarter caused in part by bio-mass conditions on Lake Winnipeg. The Corporation expects the first quarter walleye delivery volume to recover in the second quarter.

Risk analysis

Strategic Risks

Markets

Key markets in the United States are stronger as the overall economy in that country improves. The continued impact of the Russian trade embargo which has been extended until August of 2016 continues to create challenges for marketing species such as whitefish, lake trout, inconnu and drum. Increased inventory levels in whitefish and challenging market opportunities could put downward pressure on prices.

Operational Risks

Deliveries/Supply

Deliveries for the 13 weeks ending July 31, 2015 are 12% below plan as a result of lower deliveries of walleye. Although the Corporation could recover these deliveries in the second quarter, significant financial and market risk exists if these recovered deliveries are not realized.

FRESHWATER FISH MARKETING CORPORATION
Statement of Financial Position
As at July 31, 2015
(in thousands of Canadian dollars)
(unaudited)

	As at	
	July 31, 2015	April 30, 2015
ASSETS		
Current		
Cash	$ 1,016	$ 193
Accounts receivable (Note 5)	10,344	6,644
Prepaid expenses	539	68
Inventories (Note 6)	18,117	16,263
	30,016	23,168
Non-current		
Property, plant and equipment (Note 7)	19,489	19,201
Intangible assets (Note 8)	159	176
	19,648	19,377
Total Assets	**$ 49,664**	**$ 42,545**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 5 and 9)	$ 4,286	$ 4,093
Accrued obligation for employee benefits (Note 11)	680	682
Provision for final payment to fishers	3,000	3,000
Loans payable (Notes 5 and 10)	25,953	21,300
Derivative-related liabilities (Note 5)	1,495	1,106
	35,414	30,181
Non-current		
Deferred tax liabilities	1,802	1,802
Accrued obligation for employee benefits (Note 11)	199	210
	2,001	2,012
Equity		
Retained earnings	12,249	10,352
	$ 49,664	**$ 42,545**

Commitments and Contingencies (Note 15)

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

FRESHWATER FISH MARKETING CORPORATION
Statement of Comprehensive Income
For the year ended July 31, 2015
(in thousands of Canadian dollars)
(unaudited)

	As at July 31, 2015	As at July 31, 2014
Sales		
Export	$ 14,791	$ 14,704
Domestic	3,915	2,864
	18,706	17,568
Cost of sales		
Opening inventory of processed fish products	15,405	12,546
Add fish purchases and processing expenses:		
Fish purchases	8,912	9,103
Plant salaries, wages and benefits	3,379	2,885
Packing allowances and agency operating costs	1,426	1,396
Packaging and storage	1,115	1,124
Freight	629	582
Repairs and maintenance, Winnipeg plant	417	459
Depreciation of production assets (Note 7)	376	439
Utilities and property taxes	174	534
Other	158	211
	31,991	29,279
Less ending inventory of processed fish products	(17,196)	(15,866)
	14,795	13,413
Gross profit on operations	**3,911**	**4,155**
Marketing and administrative expenses		
Salaries and benefits	768	798
Commissions (Note 12)	239	270
Data processing, office and professional services	278	352
Advertising and promotion	50	104
Meeting fees and expenses	8	7
Other	57	41
Depreciation and amortization of administration assets (Notes 7 and 8)	24	25
	1,424	1,597
Other income and expenses		
Net foreign exchange loss (gain) (Note 5)	(167)	(53)
Net financial derivative (gain) loss (Note 5)	113	320
Other revenue (Note 13)	(454)	(433)
Other expenses (Note 13)	417	447
Finance income	(2)	(2)
Finance costs	164	170
	71	449
Profit before provision for final payment to fishers and income tax	**2,416**	**2,109**
Income tax expense	519	527
Total comprehensive income	$ 1,897	$ 1,582

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

FRESHWATER FISH MARKETING CORPORATION
Statement of Changes in Equity
13 weeks ended July 31, 2015
(in thousands of Canadian dollars)
(unaudited)

	July 31, 2015	April 30, 2015
Retained earnings at the beginning of the period	$ 10,352	$ 8,185
Total comprehensive income	1,897	2,167
Retained earnings at the end of the period	$ 12,249	$ 10,352

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

FRESHWATER FISH MARKETING CORPORATION
Statement of Cash Flows
For the year ended July 31, 2015
(in thousands of Canadian dollars)
(unaudited)

	13 weeks ended	
	July 31, 2015	July 31, 2014
Operating activities		
Comprehensive income for the period	$ 1,897	$ 1,582
Add (deduct) items not affecting cash:		
Future tax expense	0	527
Depreciation and amortization	430	490
Increase (decrease) in derivative-related liabilities	389	320
Net changes in non-cash working capital:		
(Increase) in accounts receivable	(3,700)	(2,480)
(Increase) in inventories	(1,854)	(3,355)
(Increase) in prepaid expenses	(471)	(358)
(Decrease) increase in accounts payable and accrued liabilities	193	1,679
(Decrease) in accrued obligation for employee benefits	(13)	(13)
Cash generated by operating activities	**(3,129)**	**(1,608)**
Investing activities		
Additions to property, plant and equipment and intangible assets	(705)	(132)
Proceeds on disposal of property, plant and equipment	4	-
Cash used in investing activities	**(701)**	**(132)**
Financing activities		
Increase in loans payable and cash used in financing activities	**4,653**	**3,347**
Increase in cash during the year	**823**	**1,607**
Cash at the beginning of the period	193	328
Cash at the end of the period	**$ 1,016**	**$ 1,935**
Supplementary information:		
Interest paid	$ 119	$ 118

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

1. NATURE AND DESCRIPTION OF THE CORPORATION

The 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 address of the Corporation's registered office and principal place of business is 1199 Plessis Road in Winnipeg, Manitoba. The Corporation is required to purchase all fish legally caught in the freshwater region, which currently encompasses the provinces of Alberta, Manitoba, and the Northwest Territories. Participation of these provinces and territory was established by agreement with the Government of Canada.

The Corporation has the exclusive right to trade and market the products of the commercial fishery on an interprovincial and export basis, and it exercises that right with the objectives of marketing fish in an orderly manner, maximizing returns to fishers, promoting international markets, and increasing interprovincial and export trade in fish, fish products, and fish by-products.

The Corporation is an agent Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. 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 July 31, 2015, the total borrowings of the Corporation may not exceed $39.5 million as authorized by the Minister of Finance.

The Corporation is a prescribed federal Crown corporation for tax purposes and is subject to federal income tax under the *Income Tax Act.*

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The financial statements were prepared on the historical cost basis, except for derivative instruments which were measured at fair value and the workers' compensation, pension deficiency, and sick leave benefits which were measured at the actuarially determined amount.

All figures are stated in Canadian dollars unless otherwise specified.

The financial statements have been approved for public release by the Audit and Risk Committee of the Corporation on August 25, 2015.

2.2 Cash

Cash represents money in the bank.

2.3 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.

2.4 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.

2.5 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.

2.5.1 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.

2.6 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 way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

2.6.1 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.

2.6.2 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 5.2.

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

2.6.3 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.

2.6.4 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.

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

2.7.1 Financial liabilities at fair value through profit or loss (FVTPL)
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 2.6.2 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.

(in thousands of dollars)

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 5.2.

2.7.2 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.

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

2.8 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.

2.9 Capital assets

2.9.1 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.

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

Buildings:	Lake stations and other building improvements	5-65 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 systems under development and 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.

2.9.3 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 part that was replaced.

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.

2.9.4 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 as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss when the item is derecognized.

2.10 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.

2.11 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.

2.12 Borrowing costs

Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other finance costs are expensed in the period they occur.

2.13 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.

2.14 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.

2.15 Employee benefits

2.15.1 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.

2.15.2 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 actuarially determined 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.

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.

2.15.3 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.

2.15.4 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.

2.16 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.

2.17 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.

2.18 Asset retirement obligation

Asset retirement obligations are obligations associated with the retirement of property, plant and equipment when the obligation arises from the acquisition, construction, development or normal operation of the assets. When it is considered probable that a liability exists, the Corporation recognizes such a liability in the period in which it is incurred if a reasonable estimate of fair value can be determined. The liability is initially measured at fair value, and is subsequently adjusted each period to reflect the passage of time and the risks specific to the liability through accretion expense and any changes in the estimated future cash flows underlying the initial fair value measurement. The associated costs are capitalized as part of the carrying value of the related asset and amortized over the remaining life of the underlying asset to which it relates.

The Corporation monitors new statutory or regulatory requirements which may impose new asset retirement obligations. In such circumstances, the liability will be recognized when the obligation is first imposed.

2.19 Income tax

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

2.19.1 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.

2.19.2 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.

2.19.3 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.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGEMENTS

3.1 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:

3.1.1 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 2.11.

3.1.2 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 2.9.2 and 2.10.

3.1.3 Accounts receivable
The Corporation reviews its individually significant receivables at each reporting date to assess whether

an impairment loss should be recorded in the statement of comprehensive income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Corporation makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

3.1.4 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, fair value is determined using valuation techniques, including the discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 5.2.2 for further details about the assumptions.

3.1.5 Long-term employee benefits

The Corporation's long-term benefits include benefits for employees in receipt of long-term pension and workers' compensation benefits. The present value of these obligations is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for Canada. Future salary increases and pension increases are based on expected future inflation rates for Canada. Further details about the assumptions used are provided in Note 11.

3.1.6 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.

3.1.7 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 assets and liabilities are comprised of temporary differences between the carrying values and tax basis of assets and liabilities. Deferred tax assets are only recorded to the extent that it is probable that they will be realized. 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.

3.2 Critical judgments

The critical judgments that the Corporation's management has made in the process of applying the Corporation's accounting policies, apart from those involving estimations, that have the most significant effects on the amounts recognized in the Corporation's financial statements are as follows:

3.2.1 Capital assets
Tangible and intangible capital assets with finite useful lives are required to be tested for impairment only when indication of impairment exists. Management is required to make a judgment with respect to the existence of impairment indicators at the end of each reporting period.

3.2.2 Provisions and contingent liabilities
In determining whether a liability should be recorded in the form of a provision, management is required to exercise judgment in assessing whether the Corporation has a present legal or constructive obligation as a result of a past event, whether it is probable that an outflow of resources will be required to settle the obligation, and whether a reasonable estimate can be made of the amount of the obligation. In making this determination, management may use past experience, prior external precedents and the opinions and views of legal counsel. If management determines that the above three conditions are met, a provision is recorded for the obligation. Alternatively, a contingent liability is disclosed in the notes to the financial statements if management determines that any one of the above three conditions is not met, unless the possibility of outflow in settlement is considered to be remote.

4. APPLICATION OF NEW AND REVISED IFRS

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

In the current period, the Corporation reviewed new and revised IFRS issued by the International Accounting Standards Board (IASB) that became effective during the period ended July 31, 2015. The new and revised IFRS did not have any impact on the Corporation's financial statements.

4.2 New and revised IFRS in issue but not yet effective
The Corporation has 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
The mandatory application date of IFRS 9 was removed in the amendment to the standard in November 2013 (it had been amended in December 2011 for an effective date for annual periods beginning on or after January 1, 2015).

The November 2013 amendment also incorporated a hedge accounting section and included permitting the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early adopting the other requirements of IFRS 9.

(in thousands of dollars)

The Corporation will be required to retrospectively adopt IFRS 9 on the effective date, which is the result of the International Accounting Standard Board's (IASB's) project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard defines the classification, recognition, derecognition and measurement guidance for financial assets and financial liabilities.

A finalised version was issued in July 2014, incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition effective for annual periods beginning on or after 1 January 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

IFRS 15 was issued in May 2014 and applies to annual reporting periods beginning on or after January 1, 2017. IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard supersedes IAS 18 Revenue, IAS 11 Construction Contracts and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers. The main exceptions are leases, financial instruments and insurance contracts.

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.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1 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:

	As at July 31, 2015	As at April 30, 2015
Retained earnings	$ 12,249	$ 10,352
Loans payable	$ 25,953	$ 21,300
	$ 38,202	$ 31,652

The Corporation's objectives in managing 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 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 in the annual corporate plan submission, 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, 2015 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.

5.2 Classification and fair value measurements of financial instruments

5.2.1 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 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 have 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.

5.2.2 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 disclose their fair value 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 July 31, 2015 and April 30, 2015. The fair value measurements of all other financial instruments held by the

(in thousands of dollars)

Corporation are classified as level 2 of the fair value hierarchy as at July 31, 2015 and April 30, 2015.

There were no transfers of financial instruments between levels during the period ended July 31, 2015.

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

	As at July 31, 2015	As at April 30, 2015
Derivative-related liabilities	$ 1,495	$ 1,106

5.2.3 Finance costs

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

(CAD$ thousands)	**As at July 31, 2015**	As at July 31, 2014
Interest expense on loans and other payables	$ 119	$ 118

5.3 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 (which 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 reports regularly to the Board of Directors on its activities.

5.3.1 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.

(in thousands of dollars)

5.3.2 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 financial liabilities have contractual maturities of less than 1 year:

(CAD$ thousands)	**As at July 31, 2015**	As at April 30, 2015
Accounts payable and accrued liablities	$ 4,286	$ 4,093
Derivative-related liabilities	1,495	1,106
Loans payable	25,953	21,300
Total	$ 31,734	$ 26,499

5.3.3 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 has not hedged its U.S. dollar denominated accounts receivable since the foreign exchange rate risk is at a lower level than previous years. A portion of loans payable are U.S. dollar denominated (Note 10).

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

(in U.S. $ thousands)	**As at July 31, 2015**	As at April 30, 2015
Cash	$ 644	$ 175
Accounts receivable	5,172	3,689
Accounts payable and accrued liabilities	(69)	(47)
Loans payable	(4,000)	(4,000)
Net assets exposed to currency risk	$ 1,747	$ (183)

Interest rate risk

The Corporation is exposed to interest rate risk on its loans payables due to fluctuations of interest rates. The Corporation manages its exposure by entering into an interest rate swap on $14,442 (April 30, 2015 – $14,675) of its loans payable approved by the Board of Directors.

(in thousands of dollars)

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 assets of $nil (April 30, 2015 - nil) and derivative-related liabilities of $1,495 (April 30, 2015 - $1,106) representing the fair value of derivative financial instruments held:

(CAD$ thousands)	**As at July 31, 2015**	As at April 30, 2015
Interest rate swaps	(1,495)	(1,106)

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

(CAD $ thousands)	**As at July 31, 2015**	As at April 30, 2015
Interest rate swaps	$ 14,442	$ 14,675

The net financial derivative loss of $113 (July 31, 2014 – loss of $320) 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.

6. INVENTORIES

Inventories included:

Supplies	$ 921	$ 858
Processed fish products	17,503	16,233
Write-down of processed fish products expensed in the year	(307)	(828)
	$ 18,117	$ 16,263

Inventory write-downs are included in inventory values in the cost of sales. The amount of inventories recognized as an expense during the period is $14,795 (July 31, 2014 - $13,413). There is no pledged collateral in respect of inventory. There were no prior write-downs reversed in the current period.

7. PROPERTY, PLANT AND EQUIPMENT

(in thousands of dollars)

(CAD$ thousands)

	July 31, 2015	April 30, 2015
Cost	$ 41,095	$ 40,437
Accumulated depreciation	(21,606)	(21,236)
Carrying amount	$ 19,489	$ 19,201
Carrying amount by asset class		
Land	$ 336	$ 336
Buildings	5,292	5,285
Equipment	11,173	11,028
Fresh fish delivery tubs/totes	170	160
Vessels	2,255	2,271
Construction in progress	263	121
Carrying amount	$ 19,489	$ 19,201

(CAD$ thousands)

	Land	**Buildings**	**Equipment**	**Fresh fish delivery tubs/totes**	**Vessels**	**Construction in progress**	**Total**
Cost							
Balance at May 1, 2014	$ 336	$ 13,516	$ 21,933	$ 1,295	$ 3,364	$ -	$ 40,444
Additions	-	290	369	-	69	121	849
Adjustment	-	(67)	(606)	-	-	-	(673)
Disposals	-	(2)	(181)	-	-	-	(183)
Balance at April 30, 2015	336	13,737	21,515	1,295	3,433	121	40,437
Additions	-	102	420	28	13	126	689
Transfers	-	-	-	-	-	16	16
Adjustment	-	-	-	-	-	-	-
Disposals	-	-	(47)	-	-	-	(47)
Balance at July 31, 2015	**$ 336**	**$ 13,839**	**$ 21,888**	**$ 1,323**	**$ 3,446**	**$ 263**	**$ 41,095**
Accumulated depreciation							
Balance at May 1, 2014	$ -	$ 8,070	$ 9,576	$ 1,057	$ 1,048	$ -	$ 19,751
Depreciation	-	390	1,148	78	114	-	1,730
Adjustment	-	(7)	(73)	-	-	-	(80)
Disposals	-	(1)	(164)	-	-	-	(165)
Balance at April 30, 2014	-	8,452	10,487	1,135	1,162	-	21,236
Depreciation	-	95	271	18	29	-	413
Adjustment	-	-	-	-	-	-	-
Disposals	-	-	(43)	-	-	-	(43)
Balance at July 31, 2015	**$ -**	**$ 8,547**	**$ 10,715**	**$ 1,153**	**$ 1,191**	**$ -**	**$ 21,606**
Carrying amount at July 31, 2015	**$ 336**	**$ 5,292**	**$ 11,173**	**$ 170**	**$ 2,255**	**$ 263**	**$ 19,489**

No indicators of impairment were found for property, plant and equipment as at July 31, 2015.

No property, plant and equipment were pledged as security for borrowing as at July 31, 2015.

8. INTANGIBLE ASSETS

(in thousands of dollars)

(CAD$ thousands)		July 31, 2015		April 30, 2015
Cost	$	458	$	458
Accumulated amortization		(299)		(282)
Carrying amount	**$**	**159**	**$**	**176**
Carrying value by asset class				
Information systems software	$	159	$	176
Construction in progress		-		-
Carrying amount	**$**	**159**	**$**	**176**

(CAD$ thousands)		Information Systems Software
Cost		
Balance at May 1, 2014	$	458
Additions		-
Disposals		-
Balance at April 30, 2015		458
Additions		-
Transfers		-
Disposals		-
Balance at July 31, 2015	**$**	**458**
Accumulated amortization		
Balance at May 1, 2014	$	217
Amortization		65
Disposals		-
Balance at April 30, 2015		282
Amortization		17
Disposals		-
Balance at July 31, 2015	**$**	**299**
Carrying amount at July 31, 2015	**$**	**159**

No indicators of impairment were found for intangible assets as at July 31, 2015.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(CAD$ thousands)		As at July 31, 2015		As at April 30, 2015
Canadian dollars	$	3,762	$	4,036
U.S. dollars		90		57
Total accounts payable and accrued liabilities	$	3,852	$	4,093

(in thousands of dollars)

10. LOANS PAYABLE

(CAD$ thousands)		As at July 31, 2015		As at April 30, 2015
Promissory note	$	5,210	$	4,825
Bankers' acceptances		20,743		16,475
Total loans payable	$	25,953	$	21,300

The loans payable consist of the following borrowing facilities:

A $6,301 bankers' acceptance bearing interest at an annual rate of 1.62% (April 30, 2015 – 1.80%) and maturing on August 6, 2015. The weighted-average interest rate during the year was 1.62% (April 30, 2015 – 1.80%). Subsequent to August 6, 2015, new bankers' acceptances were entered into at a rate of 1.80%.

A $8,375 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 banker's acceptance and an interest rate swap to lock in the interest rate for 17 years and 9 months. At July 31, 2015, $1,625 in principal has been paid on the loan.

A $6,067 bankers' acceptance with an interest rate swap bearing an interest rate at 2.85% if the floating rate option on any reset date is less than or equal to 3.15%. If the floating rate option on any reset date is greater than 3.15%, the fixed rate for the calculation period is 3.60%. 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 banker's acceptance and an interest rate swap to lock in the interest rate for 14 years. At July 31, 2015, $433 in principal has been paid on the loan.

The principal of the bankers' acceptances as at July 31, 2015 is $20,743 (April 30, 2015 – $16,475) and the fair value of the loans are $20,743 (April 30, 2015 – $16,475).

A $4,000 U.S. dollar denominated promissory note ($5,210 Canadian dollars) repayable in U.S. dollars, bearing interest at a rate of 0.95% (April 30, 2015 – 0.95%) and maturing on October 27, 2015. The balance of the principal as at July 31, 2015 is $5,210 (April 30, 2015 – $4,825) and the fair value of the loan is $5,210 (April 30, 2015 – $4,825).

The bankers' acceptances and promissory note are secured by the authorization of the Minister of Finance of the Corporation's bank borrowing limit (Note 1).

11. EMPLOYEE BENEFITS

11.1 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 July

(in thousands of dollars)

31, 2015 for employees enrolled in the Plan prior to January 1, 2013 was 1.28 (July 31, 2013 – 1.45) and for employees enrolled in the Plan beginning January 1, 2013 was 1.28 (July 31, 2013 - 1.43). Total contributions of $315 (July 31, 2014 - $280) were recognized as an expense in the current period.

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 2 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 they are indexed to inflation.

Contributions to the Public Service Pension Plan consisted of:

(CAD$ thousands)	**As at July 31, 2015**	As at July 31, 2014
Contributions by the Corporation	$ 315	$ 280
Contributions by employees	$ 223	$ 172

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. 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.

The Corporation estimates that it has a discounted pension obligation of $236 for future matching contributions required under this agreement.

11.2 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 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.

12. SALES COMMISSIONS

During the 3 months ended July 31, 2015, the Corporation paid commissions of $239 (July 31, 2014 - $270) to foreign sales agents. Commissions are included in marketing and administrative expenses on the statement of comprehensive income.

13. 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 $454 (July 31, 2014 - $433).

Other expenses of $417 (July 31, 2014 - $447) consist of costs incurred to earn revenue for the Poplar River Barge and the sales of fishing supplies to fishers.

14. 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 thereof; or
- all 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 period, delivered fish volume by Board members and their closely related family members was 20,000 kilograms (July 31, 2014 – 14,000 kilograms) valued at $38 (July 31, 2014 – $41). 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.

15. COMMITMENTS AND CONTINGENCIES

15.1 Commitments

As of July 31, 2015 the Corporation did not have any capital commitments (July 31, 2014 - $nil).

15.2 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.

A number of 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 a reliable estimate can be determined for the amount of the obligations and when the Corporation considers that it is probable that it will remediate the contaminated sites. As of July 31, 2015, no liability has been recorded for contaminated sites in the financial statements.