Freshwater Fish Marketing Corporation

Five-Year Corporate Plan Summary

Corporate Plan FY2017/18 to FY2021/22

Freshwater Fish Marketing Corporation (herein referred to as ‘Freshwater’, ‘the organization’, ‘FFMC’, ‘the Corporation’, ‘us’, ‘we’, or ‘our’) is a Crown corporation located in Winnipeg, Manitoba. Established in 1969 under the *Freshwater Fish Marketing Act* (‘*FFMA’ or ‘the Act’*), Freshwater was created to market and trade in fish, fish products and fish by-products within and outside of Canada.

CORPORATE PROFILE

Freshwater is a self-sustaining Crown corporation with no appropriations from Parliament, and operates much like a producer’s co-operative with commercial fish producers as the main beneficiaries. Freshwater’s mandate is “*to purchase all fish lawfully fished and offered for sale; to create an orderly market; to promote international markets; to increase fish trade; and to increase returns to fishers.”*

Vision

Freshwater maximizes returns to the fishers of Western and Northern Canada through effective marketing, efficient supply chain management and value-added processing of premium-quality freshwater fish products.

Mission

Freshwater’s mission is to purchase all fish offered for sale, create an orderly market, promote international markets, increase trade in fish, and maximize returns to commercial fishers.

Strategic Goals

Drawing upon understanding and insight through discussions and strategic planning sessions, inputs from employees, management, Board members, fishers and key stakeholders were consolidated to define five strategic goals for Freshwater:

- To generate market value and leadership in the markets we choose to serve
- To manage an effective and efficient supply chain and be the preferred choice for fishers
- To continue to improve stakeholder confidence by improving the financial position of the Corporation
- To maintain corporate viability and sustainability
- To establish a culture of performance delivering an exceptional workplace to employees and value to fishers

Freshwater is the dominant buyer, processor and marketer of freshwater lake fish from Manitoba, Alberta, the Northwest Territories, and from areas outside of our mandate region (Saskatchewan). We operate a complex supply chain of delivery points, agents, temperature controlled transport, and processing and inventory management systems to match the fish harvest of over 1,700 commercial fishers with market demand.

We have provided effective market access and a reliable source of income to the commercial fishers of western and northern Canada for over 48 years. In fulfilling its mandate, Freshwater provides four key benefits to the inland fishery as well as domestic and global food markets:

- **Orderly market/price maintenance** – Freshwater buys all fish offered for sale and carries out market-stabilizing activities such as storing frozen inventory to match supply with demand.

- **Global markets** - Freshwater gives western and northern Canadian inland fishers access to global markets while reducing the business risk for fishers inherent in the export of food products:
    - foreign exchange risk - by hedging US dollars;
    - market risk - by setting buying prices for a season and as much as possible for a year at a time; and
    - cash flow risk - by paying fishers within a week of delivery and managing customer receivables.

- **Food safety and security** - Freshwater works closely with the Canadian Food Inspection Agency (CFIA) and its customers to ensure its supply chain and processing plant meet federal and customer requirements for food safety and security.

- **Economic development** - In many communities where Freshwater operates delivery points, the fishery is the only commercial means of economic development. A majority of these communities (42 of 49) are predominantly Indigenous. The fishery fosters independent business owners and increases employment in rural and remote regions. Approximately 80% of Freshwater's returns to fishers and agency fees go to isolated northern and predominantly Indigenous communities.

Freshwater Fish continues to deliver value to fishers. For the fiscal year ended April 30, 2017, the Corporation generated strong revenue, provided a solid final payment to fishers and delivered firm operating performance.

Operational and financial highlights for the year ended April 30, 2017 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 that impacted Freshwater during the 2016/17 fiscal year were:

- 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.

The FY 2017/18 to 2021/22 corporate plan presents the framework and strategy for the organization with these events and modifications in mind.

This Corporate Plan assumes that for FY2017/18 and FY2018/19, Freshwater will continue to operate as a federal Crown corporation as mandated by the *FFMA*.

Planned fish deliveries are forecast to be 15.9 million kilograms in FY2017/18 compared to the actual of 14.7 million kilograms at April 30, 2017.

The Corporation has prepared for the change in the industry by creating supply contracts for fishers, agents and co-operatives in Manitoba to ensure there will be sufficient fish to support its markets and customers, and remain competitive. This will duplicate the model and process that is currently operating in Saskatchewan.

The Northwest Territories is still a signatory to the *FFMA* and Freshwater will continue to purchase all that territory's fish as required under the *Act*. Upon Manitoba's withdrawal from the *FFMA*, the Northwest Territories will be the only remaining signatory to the legislation.

RESULTS OF THE AUDITOR GENERAL OF CANADA'S 2017 SPECIAL EXAMINATION

The Auditor General of Canada's Special Examination of the FFMC was released on the Corporation's website on May 15, 2017. The Examination was conducted from October 2015 to June 2016, with the objective of determining whether the Corporation's practices ensured that: assets were safeguarded; its resources were managed economically and efficiently; and its operations were carried out effectively.

Recommendations	FFMC Actions
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 profiles and competencies, oversight, and potential or perceived conflicts of interest.	FFMC has completed a Board profile which includes revised roles and responsibilities for the directors. It also outlines conflict of interest guidelines as well as competency, skills and experience requirements. Four positions are vacant on FFMC's Board. FFMC's Board chair has formally requested that the Government of Canada urgently fill these positions to strengthen the governance of the Corporation.
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.	FFMC has produced a Corporate Risk Profile and a Risk Management Framework which account for the Corporation's short-, medium- and long-term risks. Please see Annex 2 and 3.
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.	Operational plans and Key Performance Indicators (KPI) for fiscal years 2017-18 to 2021/22 have been developed and are included in this Corporate Plan. All employees are now informed of these KPIs through the annual performance management system and pay-at-

	risk process. FFMC has also re-established operations reviews on a weekly schedule with senior management focusing on operational metrics.
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.	Policies and procedures were reviewed and gaps or updates were required for Workplace Violence and Respectful Workplace, Code of Conduct, Confidentiality, Staffing, Vacation and Sick time, Attendance, Hours of Work and Procurement of Goods, Services and Raw Materials. All the above policies have been updated and will be communicated to employees by the end of August, 2017.

FINANCIAL PLAN

Freshwater's projected operating budget for FY2017/18 is $70.7 million based on net sales revenue of $75.1 million. Initial returns to fishers are forecast to reach $32.2 million or 45.3% of revenue. Retained earnings are planned to be $16.1 million on April 30, 2018. Profit in FY2017/18 is forecast to be $4.4 million before final payment and income tax.

The projected financial statements reveal the fiscal realities of these commitments, the changes created by Manitoba's expected withdrawal from the *Act* and the financial outcome of supporting the strategies in this Corporate Plan.

A study was commissioned by Freshwater in FY2006/07 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 FY2011/12. 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. As of April 30, 2017, Freshwater has met its retained earnings target of 20%. Achieving the retained earnings target in FY 2016/17, contributes to forecasted growth in retained earnings through FY 2021/22. The increased retained earnings improve the financial stability of the Corporation and provides more financial resources to address investments in product development opportunities, sales and marketing initiatives, resilience to unexpected exogenous shocks (e.g. potential global economic sanctions or conflicts), investment in capital equipment in the event of catastrophic failure and the ability to absorb the changes in fish deliveries and sales revenue that may occur as a result of Manitoba's withdrawal from *the Act*. The following table shows the achievement to date and the forecast for the balance of the planning period:

	ACTUAL							FORECAST				
	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22
Sales revenue	$ 66,825	$ 66,881	$ 63,177	$ 68,476	$ 66,965	$ 69,724	$ 74,527	$ 75,075	$ 76,628	$ 78,213	$ 79,830	$ 81,480
Retained earnings	$ 3,041	$ 4,240	$ 6,880	$ 8,185	$ 10,352	$ 11,888	$ 14,921	$ 16,069	$ 17,556	$ 19,551	$ 21,300	$ 22,993
R/E as a % of sales	4.55%	6.34%	10.89%	11.95%	15.46%	17.05%	20.02%	21.40%	22.91%	25.00%	26.68%	28.22%

Retained earnings policy in effect

STRATEGIC ISSUES FOR THE PLANNING PERIOD

ASSESSMENT OF RESULTS

Freshwater establishes annual targets to meet its legislated mandate, to operate within its budget and to meet operational and strategic goals. Key Performance Indicators (KPI) for the previous fiscal year (FY2016/17) and actual performance at April 30, 2017 are presented in the following table:

Key Performance Indicator	FY2016/17 Performance Target	FY2016/17 Performance April 30, 2017
Profit before final payment and income tax	$ 7.1 million	$7.6 million
% return to fishers	50.9%	45.2%
Retained earnings	$13.4 million	$14.9 million
Reduce expenses	Reduce to less than forecast	5.1% 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 kg	3% improvement over 2015/16 actual	5.0% improvement
Initial payments to fishers	$28.9 million	$28.9 million
Fish delivery volume	14.2 million kilograms	14.7 million kilograms
Reduce worker's compensation claims and cost	Reduce to $205,000	Increase to $397,000
Reduce plant employee absenteeism	Reduce from 13% to 12%	13%
Inventory	Meet planned inventory level targets by species by April 30, 2017	8.8% above plan

As shown in the table above, Freshwater met its retained earnings, profitability, sales revenue, labour efficiency and operational cost per kg targets. Expense reductions, inventory levels, and returns to fishers did not to meet target and workers compensation costs are well above the FY2016/17 performance target.

FY2017/18 PERFORMANCE TARGETS

Key Performance Indicator	FY2017-18 Performance Target
Profit before final payment and income tax	$4.4 million
% Return to Fishers	45.3%
Retained earnings	$16.1 million
Gross and net sales	$79.5/$75.1 million
Improve direct labour efficiency	1% improvement from FY2016/17 actual of 38.74 kgs processed/hour
Improve operational costs per kg	1.5% improvement from FY2016/17 actual of $1.51 per kg.
Initial payments to fishers	$32.2 million
Fish delivery volume	15.9 million kgs
Reduce WCB claims and cost	15% reduction from 2016/17 actual of $397,000
Improve employee attendance	1% from FY2016/17 actual of 87.6% of scheduled hours worked
Inventory levels	Meet species plan targets

ASSUMPTIONS

FINANCIAL STATEMENTS

Expense management
Freshwater manages its costs that include a mix of annual savings from operating and labor efficiencies, material yield and process improvements. These improvements have been incorporated into the financial statements.

Final Payment, Retained Earnings and Debt Repayment
Freshwater has a targeted retained earnings level of 20% of annual sales revenue per the independent analysis that was performed in FY2006/07. That goal has been met and will continue to guide decisions regarding distribution of profit and retained earnings. Freshwater is aggressively repaying debt at $930,000 annually on existing demand installment loans.

In compliance with borrowing authority direction from the Minister of Finance, Freshwater has also paid down the $4 million USD LIBOR loan. Furthermore, in the 2017/18 to 2021/22 corporate plan, Freshwater has made a provision to pay down debt over the next four years.

Final payments have been distributed to fishers since 1969 as part of the co-operative model Freshwater's mandate is based on and the Corporation will continue to use final payments as an integral component of its business model, however priority is focused on repayment of debt.

Delivery

Freshwater has developed a comprehensive regional supply development plan that has been incorporated into the financial projections. The financial plan includes a detailed analysis by Freshwater's field operations group of the effect of reduced Manitoba supply contingent upon that province's withdrawal from the *Act*.

Freshwater has developed a comprehensive lake-by-lake supply development plan that has been incorporated into the financial projections. This plan is updated throughout the year as local weather, lake and stock conditions change.

Fish purchase prices

Fish purchase prices will be negotiated at near-market value. Freshwater's purchase contracts provide fishers stability because of contract obligations to purchase all their fish. The number of fishers delivering fish may decrease but the obligation to purchase high demand fish by Freshwater retains and supports remote infrastructure.

Although there is some risk that Freshwater may overpay for fish since prices are established at the beginning of each season, Freshwater has safeguards to mitigate its risk of overpaying fishers through the initial payment:

1. Annual prices are set by species, form and size according to market demand and sales pricing
2. Annual prices are adjusted to encourage fishing in periods that match the market demand for the particular species of fish
3. Manitoba's open market will allow more dynamic initial prices paid to fishers as market demand requires
4. 80% of Freshwater's foreign currency revenue is protected against currency fluctuations through hedging contracts. This is reflected in the initial price to fishers
5. Quality standards are set to ensure that purchases are of saleable quality
6. Payments are only made to fishers when fish is delivered and has passed inspection confirming that it is received in good quality
7. Freshwater sells into multiple markets, which reduces risk by reducing dependence on any single market

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.

Freshwater utilizes a hedging strategy that covers 80% of foreign exchange exposure. Freshwater does not hedge 100% of foreign exchange exposure because fish deliveries are influenced by many factors and may not meet volume forecasts. Consequently, the Corporation does not want to be overexposed in the foreign exchange market.

Profitability

Profitability risk is inherent in any business and on a regular basis, Freshwater uses effective operational planning and daily management to address these and other issues to meet its mandate, goals and objectives. The strategies described in the 2017/18 to 2021/22 corporate plan are designed to address profitability risk. In addition to the strategies in place, and in the event of additional profitability risk that may develop, actions such as improving processing efficiencies, additional cost and inventory reductions could be deployed to mitigate any excessive profitability risk.

Liquidity
Freshwater's business model is driven by a wild caught fishery which creates liquidity risk that is unique amongst food processors. In the event liquidity became unmanageable outside of the assumptions of this corporate plan, selling inventory more quickly or liquidating inventory, being more aggressive in collecting receivables and/or extending payment terms for raw material (fish) and operating supplies would be implemented.

Specific financial factors used in the forecasts are:

- Inflation of 2% annually
- Foreign currency exchange of CAD/USD at $1.31 based on currency market analysis from FY2017/18 to FY2021/22
- Depreciation per accounting policy
- Selling, administration and processing costs include efficiency gains and cost reductions

The following are select high level risks that could impact key areas of Freshwater's financial projections which are monitored:

- Volatility of the Canadian dollar impacting sales revenue as a result of global economic factors
- Interest rate increases
- Declining marketability of fish due to global influences
- Changing fish populations (less walleye more lake whitefish) in Lake Winnipeg
- Overall uncertainty in the fishery as the effect of Manitoba's withdrawal from the *Act* impacts Freshwater affecting deliveries, processing and marketing
- The mix of species delivered under the open-market compared to Freshwater's historical delivery trends

Freshwater has increased its retained earnings from $2.8 million in FY2009/10 to $14.9 million in FY2016/17 and a forecast of $16.1 million in FY2017/18. The Corporate Plan demonstrates exceeding the required retained earnings level over the plan period after having reached the target in FY2016/17.

The following shows a timeline with annual retained earnings targets that continue to make progress in putting the Corporation on a more solid financial footing:

	Annual Actual FY2016/17	Annual Plan FY2017/18	Annual Plan FY2018/19	Annual Plan FY2019/20	Annual Plan FY2020/21	Annual Plan FY2021/22
Start Date	May-16	May-17	May-18	May-19	May-20	May-21
End Date	Apr-17	Apr-18	Apr-19	Apr-20	Apr-21	Apr-22
Total net sales	**74,527**	**75,075**	**76,628**	**78,213**	**79,830**	**81,480**
Required retained earnings	**14,905**	**15,015**	**15,326**	**15,643**	**15,966**	**16,296**
Profit before provision for final payments to fishers	7,616	4,384	5,815	7,365	7,650	7,942
Provision for debt repayment/capital investment/profit distribution	-	(1,100)	(1,500)	(1,750)	(2,250)	(2,500)
Provision for final payments to fishers	(3,500)	(1,754)	(2,326)	(2,946)	(3,060)	(3,177)
Income tax expense	1,083	383	502	674	591	572
Total comprehensive income	3,033	1,148	1,487	1,995	1,749	1,693
Retained earnings, beginning of period	11,888	14,921	16,069	17,556	19,551	21,300
Retained earnings, end of period	**14,921**	**16,069**	**17,556**	**19,551**	**21,300**	**22,993**

Freshwater's projected operating budget for FY2017/18 is $70.7 million based on net sales revenue of $75.1 million. The attached projected financial statements reveal the fiscal realities of these commitments and the financial outcome of supporting the strategies discussed in this Plan.

Borrowing Intentions

FFMC's borrowing requirements are required to allow the Corporation to execute its mandate and strategy and to operate within its Corporate Plan.

FFMC requests authority to borrow a total of $34.8 million in short term borrowings made up of:

i. a maximum of $21.9 million using a revolving demand credit facility with undertaken in the form of bankers' acceptances to be used for working capital purposes

ii. $12.9 million of demand installment debt in the form of bankers' acceptances.

Table 2: Peaks at any point during the year

(in 000's)

	2016-17 Actual	2017-18 Forecast	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected
Short-term borrowings - Operating line	$19,598	$21,900	$17,800	$14,400	$11,700	$8,500
Short-term borrowings - Demand installment debt	$13,750	$12,900	$12,800	$12,700	$12,500	$12,100
Total borrowings	**$33,348**	**$34,800**	**$30,600**	**$27,100**	**$24,200**	**$20,600**

FINANCIAL STATEMENTS

The following shows a timeline with annual retained earnings targets that continue to make progress in putting the Corporation on a more solid financial footing:

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CAPITAL EXPENDITURES

	FY2016/17 Actual	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/222
Total Plant	$ 997,387	$ 2,010,000	$ 2,250,000	$ 2,050,000	$ 2,050,000	$ 2,050,000
Total Field Operations	$ 1,091,465	$ 883,800	$ 750,000	$ 500,000	$ 500,000	$ 500,000
Total Information Technolgy	$ 167,605	$ 64,500	$ 100,000	$ 50,000	$ 50,000	$ 50,000
Total Capital Investment	$ 2,256,457	$ 2,958,300	$ 3,100,000	$ 2,600,000	$ 2,600,000	$ 2,600,000

ANNUAL STATEMENT OF COMPREHENSIVE INCOME

Annual Statement of Comprehensive Income	Actual FY 2016/17 1-May-2016 30-Apr-2017	Annual Plan FY 2017/18 1-May-2017 30-Apr-2018	Annual Plan FY 2018/19 1-May-2018 30-Apr-2019	Annual Plan FY 2019/20 1-May-2019 30-Apr-2020	Annual Plan FY 2020/21 1-May-2020 30-Apr-2021	Annual Plan FY 2021/22 1-May-2021 30-Apr-2022
Total net sales	74,527	75,075	76,628	78,213	79,830	81,480
Total cost of sales	61,349	65,367	65,436	65,417	66,695	67,998
Gross profit on operations	13,178	9,708	11,192	12,796	13,135	13,482
Total marketing and administrative expenses	5,783	5,336	5,389	5,443	5,498	5,553
Other income and expenses	(221)	(12)	(12)	(12)	(12)	(12)
Profit before provision for final payments to fishers	7,616	4,384	5,815	7,365	7,649	7,941
Provision for debt repayment/capital investment/profit distribution		(1,100)	(1,500)	(1,750)	(2,250)	(2,500)
Provision for final payment to fishers	(3,500)	(1,754)	(2,326)	(2,946)	(3,060)	(3,177)
Income tax expense (recovery)	1,083	382	502	674	590	571
Total comprehensive income	3,033	1,148	1,487	1,995	1,749	1,693
Retained earnings, beginning of period	11,888	14,921	16,069	17,556	19,551	21,300
Retained earnings, end of period	14,921	16,069	17,556	19,551	21,300	22,993

ANNUAL STATEMENT OF FINANCIAL POSITION

Annual Statement of Financial Position	Actual FY 2016/17 1-May-2016 30-Apr-2017	Annual Plan FY 2017/18 1-May-2017 30-Apr-2018	Annual Plan FY 2018/19 1-May-2018 30-Apr-2019	Annual Plan FY 2019/20 1-May-2019 30-Apr-2020	Annual Plan FY 2020/21 1-May-2020 30-Apr-2021	Annual Plan FY 2021/22 1-May-2021 30-Apr-2022
Assets						
Current assets						
Cash	1,601	500	500	500	500	500
Trade receivables	10,239	11,799	12,387	12,643	12,904	13,171
Prepaid expenses	164	371	522	349	533	363
Inventories	19,591	20,850	19,650	19,274	19,090	18,907
Total current assets	31,595	33,520	33,059	32,766	33,027	32,941
Property, plant and equipment	20,162	21,283	22,315	23,345	24,375	25,405
Intangible assets	144	150	150	150	150	150
Total assets	**51,901**	**54,953**	**55,524**	**56,261**	**57,552**	**58,496**
Liabilities						
Current liabilities						
Trade and other payables and accrued liabilities	5,699	5,776	4,876	4,723	4,895	5,030
Current portion of accrued obligation for employee benefits	560	560	500	500	500	500
Provision for final payments to fishers	3,500	1,754	2,326	2,946	3,060	3,177
Loans Payable	23,574	27,600	25,575	22,115	19,136	15,650
Provision for debt repayment/capital investment/profit distribution	-	1,100	2,600	4,350	6,600	9,100
Derivative-related liabilities	1,318	203	203	203	203	203
Total current liabilities	34,651	36,993	36,080	34,837	34,394	33,660
Deferred tax liabilities	1,673	1,673	1,673	1,673	1,673	1,673
Accrued obligation for employee benefits	222	218	215	200	185	170
Asset retirement obligation	434	-	-	-	-	-
Total liabilities	**36,980**	**38,884**	**37,968**	**36,710**	**36,252**	**35,503**
Equity						
Retained earnings	14,921	16,069	17,556	19,551	21,300	22,993
Total liabilities and equity	**51,901**	**54,953**	**55,524**	**56,261**	**57,552**	**58,496**

ANNUAL STATEMENT OF CASH FLOWS

Annual Statement of Financial Position	Actual FY 2016/17 1-May-2016 30-Apr-2017	Annual Plan FY 2017/18 1-May-2017 30-Apr-2018	Annual Plan FY 2018/19 1-May-2018 30-Apr-2019	Annual Plan FY 2019/20 1-May-2019 30-Apr-2020	Annual Plan FY 2020/21 1-May-2020 30-Apr-2021	Annual Plan FY 2021/22 1-May-2021 30-Apr-2022
Operating activities						
Comprehensive income for the period	3,033	1,148	1,487	1,995	1,749	1,693
Plus: future tax expense	274	-	-	-	-	-
Plus: depreciation and amortization of administration assets	1,672	1,879	1,968	1,970	1,971	1,970
Loss on disposal of property, plant and equipment	107	-	-	-	-	-
Cash provided (used in) from operations	5,086	3,027	3,455	3,965	3,720	3,663
Plus (less): changes in non-cash operating working capital						
Trade receivables	(1,512)	(1,560)	(588)	(256)	(261)	(267)
Inventories	96	(1,259)	1,200	376	184	182
Prepaid expenses	(40)	(207)	(152)	173	(185)	170
Trade and other payables and accrued liabilities	6	77	(900)	(153)	173	134
Current portion of accrued obligation for employee benefits	(31)	-	(60)	-	-	-
Derivative-related liabilities	21	(1,115)	-	-	-	-
Provision for debt repayment/capital investment/profit distribut	-	1,100	1,500	1,750	2,250	2,500
Provision for final payments to fishers	500	(1,746)	572	620	114	117
Accrued obligation for employee benefits	-	(4)	(3)	(15)	(15)	(15)
Asset retirement obligation	(612)	(434)	-	-	-	-
Sub-total	(1,572)	(5,148)	1,569	2,495	2,260	2,821
Cash from operating activities	3,514	(2,121)	5,024	6,460	5,980	6,484
Investing activities						
Additions to property, plant and equipment	(2,157)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Additions to intangible assets	(99)	(6)	-	-	-	-
Proceeds on disposal of property, plant and equipment	158	-	-	-	-	-
Cash from investing activities	(2,098)	(3,006)	(3,000)	(3,000)	(3,000)	(3,000)
Financing activities						
Plus (less): changes in debt						
Repayment of loans	(488)	(5,399)	(33)	(133)	(233)	(333)
Sub-total	(488)	(5,399)	(33)	(133)	(233)	(333)
Cash from financing activities	(488)	(5,399)	(33)	(133)	(233)	(333)
Net increase (decrease) in cash and cash equivalents	928	(10,526)	1,991	3,327	2,747	3,151
Plus: cash and cash equivalents, beginning of period	(4,627)	(3,699)	(14,225)	(12,234)	(8,907)	(6,160)
Cash and cash equivalents, end of period	(3,699)	(14,225)	(12,234)	(8,907)	(6,160)	(3,009)

CORPORATE RISK MANAGEMENT FRAMEWORK

Integrated Risk Management Plan

Introduction

The Board and Management of FFMC are committed to the Corporation achieving its vision and mission. If the Corporation is to achieve its vision and mission, the Board must be aware of the various internal and external risks and be in a position to offer guidance to Management in their mitigation. This document will be used by the Board and Management to identify risks and to prioritize, reach agreement on and coordinate the various risk management strategies the Corporation will be using.

Objectives

To focus Board and Management on those risks that have the potential to materially affect the Corporation's ability to meet its strategic and financial goals.

Level of Risk Considered Material

Risk considered material to a level requiring the Board's attention.

Financial - Any risk that may impact payments to fishers. This is considered to be $200,000 or more in any one fiscal year.

Strategic - Any risk that threatens the Corporation's ability to fulfill its legislated mandate (vision and mission).

Reputational - Any risk that may threaten the credibility of Management or the Board among any major stakeholder group. Any use of the Public Service Disclosure Protection Act that results in a report to the Audit and Risk Committee.

Controls - Any risk that indicates internal controls are less than adequate.

Risk Assessment Framework

Description of Risk Categories

RISK CATEGORY	DESCRIPTION
Financial	**Risks related to revenue, costs, exchange rates, interest rates, credit, inflation, stakeholder base**
Information Technology	**Risks related to the use of information technology, including security, integrity and availability of electronic information, infrastructure systems, and data**
Operations	**Risks relating to current day-to-day operations, such as supply chain, processing efficiency and capacity**
Infrastructure	**Risk of building or equipment failure or failure to meet regulatory requirements**
People / Health & Safety	**Risks to safety of employees and succession planning**
Governance	**Risk of failure to meet regulatory requirements or failure to meet stakeholder governance expectations**
Reputational	**Risks that impact FFMC's domestic and international reputation, impacting market or public perception**
Regulatory	**Risks relating to regulation and licensing, legal, contracts, compliance, privacy laws, security regulations, public reporting requirements**
Strategic	**Risk of not meeting corporate goals and not fulfilling the Corporation's legislated mandate**