

**Newfoundland and Labrador Industrial Development
Corporation**

Annual Report

For the Period April 1, 2025 to March 31, 2026

Newfoundland and Labrador Industrial Development Corporation

TREASURY MANAGEMENT DIVISION
DEPARTMENT OF FINANCE
CONFEDERATION BUILDING
P.O. BOX 8700
ST. JOHN'S, NL A1B 4J6

Honourable Craig Pardy
Minister of Finance
Government of Newfoundland and Labrador
Confederation Building
St. John's, NL
A1B 4J6

Dear Minister Pardy:

The Newfoundland and Labrador Industrial Development Corporation (NLIDC) is a Crown corporation which is periodically used as a vehicle for commercial investments made on behalf of the Province.

On behalf of the Board of Directors, it is my pleasure to submit the Annual Report for the NLIDC summarizing the activities for the fiscal year that ended March 31, 2026. This report has been prepared in accordance with the provisions of Section 16 of the **Industrial Development Corporation Act** and Section 9 of the **Transparency and Accountability Act**.

The NLIDC is a category 3 government entity and is required to prepare an annual activity report to present information on its activities of the preceding year. As such, the Board of Directors has approved the financial statements and information contained in this report, and the Board is accountable for the results reported herein.

Sincerely,



David Drover, CPA, CGA
Chair of the Board

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1.0 OVERVIEW

The Newfoundland and Labrador Industrial Development Corporation (NLIDC), established in 1967, operates pursuant to the **Industrial Development Corporation Act** (the **Act**). NLIDC operates with a March 31 fiscal year end and the results of its activities are fully consolidated in the Provincial Government's annual financial statements.

The Board of Directors is appointed by the Lieutenant-Governor in Council with all members appointed based upon the position they hold in the Provincial Government. The members of the Board as of March 31, 2026, and their positions are as follows:

- David Drover (Chair) Deputy Minister
- Corey Tucker Assistant Deputy Minister, Treasury Management & Budgeting
- Thomas Nemec Director, Treasury Management
- Calen Harrison Manager, Treasury Management

Two additional Board positions are currently vacant and undergoing appointments due to the change in government structure.

NLIDC has no direct employees as the day-to-day affairs are administered by employees of the Department of Finance. The 2023-26 Activity Plan, as well as previous annual reports, are available online at www.fin.gov.nl.ca.

Because of its limited activity, there is no requirement for annual budgetary allocations as NLIDC's revenue on existing investments, together with its cash resources, is sufficient to fund its annual operations. However, from time to time, NLIDC has been used as the Province's investment proxy where it is deemed appropriate to make an investment through a Crown corporation, rather than directly by the Province. In these situations, investment funds have been made available to NLIDC on a one-off basis.

2.0 MANDATE

NLIDC's primary purpose is to provide long-term financing to industrial and resource-based projects in accordance with the powers conferred on it by the **Act**. However, in recent years NLIDC has been relatively inactive with most investment activity being undertaken either directly by the Province or through other Crown Corporation. All activities of NLIDC are at the direction of the Minister and are consistent with the Department's values.

3.0 REPORT ON PERFORMANCE

NLIDC is mandated to provide long-term financing to industrial and resource-based projects. This is primarily achieved by entering into commercial investments or other financial arrangements, which was the focus of NLIDC's 2023-26 Activity Plan. In recent years, NLIDC has been relatively inactive because most investment activity has been undertaken either directly by the Provincial Government or through other Crown Corporations. The following section provides additional information on the activities of NLIDC for 2025-26.

Objective: By March 31, 2026, upon direction by the Province, the NLIDC will have entered into commercial investments or other arrangements.

Indicator: Executed transactions as directed by the Province, including Board approval of completed transactions as documented and approved in the Annual Report.

Results for 2025-26: No new investments were made during the year. No such direction was issued by the Province.

4.0 OPPORTUNITIES AND CHALLENGES

While the NLIDC has been relatively inactive, it remains available to provide long term financing to industrial and resource-based projects and can continue to play a meaningful role in supporting economic growth when circumstances warrant its involvement.

5.0 CONTACT INFORMATION

Contact information is as follows:

Mailing Address

Newfoundland and Labrador
Industrial Development Corporation
c/o Department of Finance
Confederation Building
East Block, Main Floor
P. O. Box 8700
St. John's, NL A1B 4J6

Office Location

Treasury Management Division
Department of Finance
Confederation Building
East Block, Main Floor
Telephone: (709) 729-3931
Fax: (709) 729-6790

6.0 FINANCIAL STATEMENTS

Please see the attached financial statements for the year end March 31, 2026. These financial statements of the NLIDC are the responsibility of management and have been prepared in accordance with Canadian public sector accounting principles.

The Office of the Auditor General of Newfoundland and Labrador performed an audit on the financial statements in accordance with Canadian generally accepted auditing standards. The Auditor's Report attached to the financial statements outlines the scope of the examination and contains the Auditor General's opinion on the NLIDC's financial statements.

**NEWFOUNDLAND AND LABRADOR
INDUSTRIAL DEVELOPMENT
CORPORATION**

FINANCIAL STATEMENTS

MARCH 31, 2026

Management's Report

Management's Responsibility for the Newfoundland and Labrador Industrial Development Corporation Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Corporation, in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Newfoundland and Labrador Industrial Development Corporation.

On behalf of the Newfoundland and Labrador Industrial Development Corporation.



David Drover, CPA
Deputy Minister of Finance



Thomas Nemec, CPA
Director of Treasury Management



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Newfoundland and Labrador Industrial
Development Corporation
St. John's, Newfoundland and Labrador

Opinion

We have audited the financial statements of the Newfoundland and Labrador Industrial Development Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Independent Auditor's Report (cont.)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (cont.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SANDRA RUSSELL, CPA
Deputy Auditor General

June 12, 2026
St. John's, Newfoundland and Labrador

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT
CORPORATION**

STATEMENT OF FINANCIAL POSITION

As at March 31

	2026	2025
	(000's)	(000's)
FINANCIAL ASSETS		
Cash	\$ 1,557	\$ 1,396
Accrued interest receivable	4	17
Accounts receivable	100	100
	1,661	1,513
Net financial assets and accumulated surplus	\$ 1,661	\$ 1,513

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

Signed on behalf of the Board:


Chairperson


Director

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT
CORPORATION**
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2026 Budget	2026 Actual	2025 Actual
	Unaudited (000's) (Note 5)	(000's)	(000's)
REVENUES			
Lease income (Note 3)	\$ 100	\$ 100	\$ 100
Interest income	45	48	64
	145	148	164
Annual surplus	145	148	164
Accumulated surplus, beginning of year	1,513	1,513	1,349
Accumulated surplus, end of year	\$ 1,658	\$ 1,661	\$ 1,513

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

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT
CORPORATION**
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2026	2025
	(000's)	(000's)
Operating transactions		
Annual surplus	\$ 148	\$ 164
Change in interest receivable	13	(11)
Change in accounts receivable	-	(50)
Increase in cash	161	103
Cash, beginning of year	1,396	1,293
Cash, end of year	\$ 1,557	\$ 1,396

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

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT
CORPORATION**
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

1. Nature of operations

The Newfoundland and Labrador Industrial Development Corporation (NIDC) operates under the authority of the Industrial Development Corporation Act. The primary purpose of NIDC is to provide long-term financing to industrial and resource-based companies. Funding is secured through various means including borrowing from the Province of Newfoundland and Labrador (the Province). The affairs of NIDC are managed by a Board of Directors appointed by the Lieutenant-Governor in Council.

NIDC is a Crown entity of the Province and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

NIDC is classified as an Other Government Organization as defined by Canadian public sector accounting standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). NIDC does not prepare a statement of change in net financial assets as this information is readily apparent from the other statements. In addition, NIDC does not prepare a statement of remeasurement gains and losses as NIDC does not enter into relevant transactions or circumstances that are being addressed by the statement. Outlined below are the significant accounting policies followed.

(b) Financial instruments

NIDC's financial instruments recognized on the statement of financial position consist of cash, interest receivable and accounts receivable. The Corporation generally recognizes a financial instrument when it enters into a contract which creates a financial asset. Financial assets are initially measured at cost, which is the fair value at the time of acquisition.

NIDC subsequently measures all of its financial assets at cost or amortized cost. Financial assets measured at cost include cash and receivables.

The carrying values of cash, accounts receivable and interest receivable approximate current fair value due to their nature and/or the short-term maturity associated with these instruments.

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT
CORPORATION**
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

Interest attributable to financial instruments is reported in the statement of operations.

(c) Cash

Cash includes cash in bank.

(d) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Interest income is recognized as earned.

There is no revenue from non-recurring activities with performance obligations presented in these financial statements.

(e) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense.

(f) Measurement uncertainty

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets at the date of the financial statements and the reported amounts of revenues during the period. Items requiring the use of significant estimates include the lease agreement surcharge as described in Note 3.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT
CORPORATION**
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

3. Lease income

By Agreement dated October 8, 2004, NIDC has acquired for nominal consideration from High Liner Foods Incorporated, the previous operator of the Arnold's Cove seafood processing facility, its Enterprise Allocations, vessel designations and historic rights for Newfoundland and Labrador offshore fishing areas, as defined by the Agreement. These are intangible assets and are not valued on these financial statements.

By separate lease Agreement, also dated October 8, 2004, NIDC leased these Enterprise Allocations, vessel designations and historic rights for Newfoundland and Labrador offshore fishing areas, to Icewater Seafoods Inc. This lease was for a period of 20 years with an annual base lease fee of \$50,000 along with a contingent variable surcharge amount that is triggered when the annual aggregate cash flow of Icewater Seafoods Inc. exceeds a defined minimum threshold. On December 16, 2024, NIDC entered into a new lease agreement with Icewater Seafoods Inc. The lease is for a period of 15 years with an annual base lease fee of \$100,000 payable annually to the Corporation subject to the terms, conditions and surcharge as outlined in the Lease Renewal Agreement. The minimum threshold to trigger the surcharge was not reached in 2025-26.

4. Financial risk management

NIDC recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that NIDC is exposed to through its financial instruments is credit risk. There was no significant change in NIDC's exposure to this risk or its processes for managing this risk from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. NIDC's main credit risk relates to cash, accounts receivable and interest receivable. NIDC's maximum exposure to credit risk is the carrying amounts of these financial instruments. NIDC is not exposed to significant credit risk with its cash and interest receivable because these financial investments are held with a chartered bank.

NIDC is exposed to credit risk related to its accounts receivable. NIDC management actively monitors the company with which it has the accounts receivable in an effort to mitigate this risk.

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT
CORPORATION**
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

5. Budgeted figures

Budgeted figures have been prepared by NIDC management and are provided for comparison purposes. Budgeted figures are unaudited.

6. Related party transactions

NIDC is administered by employees of the Department of Finance. The costs of administration are paid directly by the Department. These costs are not material and are not reflected in these financial statements.

7. Distribution of earnings

Pursuant to Section 30 of the Industrial Development Corporation Act, the balance that the Minister of Finance considers to be available out of the net profits of NIDC is to be paid to the Province at such intervals and in a manner that the Minister may direct by notice to the Chairperson of the Board.