ANNUAL REPORT

2014

2015

alcool • liquor

2014 - 2015 ANNUAL REPORT

CONTENTS

BOARD OF DIRECTORS

Back row, from left: **John Correia**, director; **Mike Jenkins**, director; **Rémi Roussel**, director; **Arthur Doyle**, vice chair; **Patrick Durepos**, director; and **Richard Smith**, secretary of the board, senior vice-president and chief financial officer; Front row, from left: **Brian Harriman**, president and chief executive officer; **Ron Lindala**, chair; and **Rachelle Gagnon**, director.

EXECUTIVE MANAGEMENT

Brian Harriman, president and chief executive officer; **Richard Smith**, senior vice-president and chief financial officer; **Bradford Cameron**, vice-president, operations; **Michael O'Brien**, vice-president, supply chain and property management.

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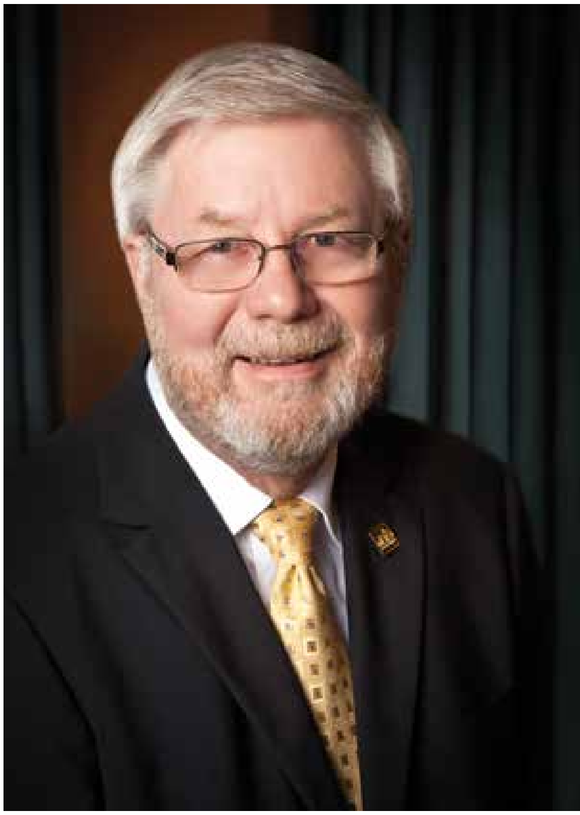
CHAIR'S LETTER

Honourable Roger Melanson,
Minister of Finance,
Province of New Brunswick,
Fredericton, N.B.



Sir:

In compliance with Section 20 of the New Brunswick Liquor Corporation Act, I am pleased to submit the annual report of the New Brunswick Liquor Corporation for the fiscal year ended March 29, 2015.

Respectfully submitted,

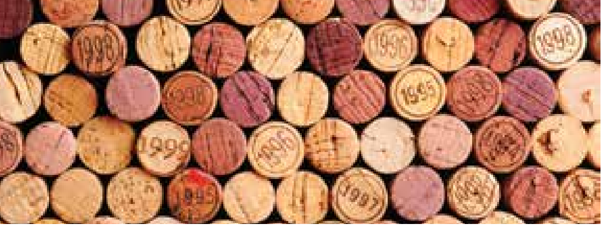
Ron Lindala
Chair
Board of Directors

Operational Information

	2015	2014
Number of ANBL Stores	44	44
Number of Agency Stores	84	84
Grocery Store Pilot Project	6	0
Number of filled positions (not including casuals)	436	439
Number of regular listed products	1,881	1,874

Consumption Data (Legal Drinking Age)

	2015				2014		
	Total Litres	Litres Per Capita	Sales Per Litre		Total Litres	Litres Per Capita	Sales Per Litre
Spirits	2,868,372	4.7	32.52	Spirits	2,865,646	4.7	32.04
Wine	6,227,640	10.2	13.26	Wine	5,919,319	9.7	13.26
Other Beverages	2,849,674	4.7	7.34	Other Beverages	2,580,207	4.2	7.43
Beer	43,904,414	71.9	4.47	Beer	44,231,809	72.5	4.41



FOUR-YEAR STRATEGIC GOALS

ANBL is responsible for the purchase, importation, distribution and retailing of all beverage alcohol in New Brunswick. As a provincial Crown corporation, ANBL serves the public and licensee community through its network of retail stores and private agency outlets.

STRATEGY 2012-16

The four-year strategic plan focuses on metrics for net income growth, customer satisfaction, employee engagement, and corporate citizenship. The 2014-15 fiscal year represented the third year of this plan.

Vision 2016

To be a leading retailer, driven by customer experience.

Mission

To responsibly manage a profitable liquor business for New Brunswick.

Values

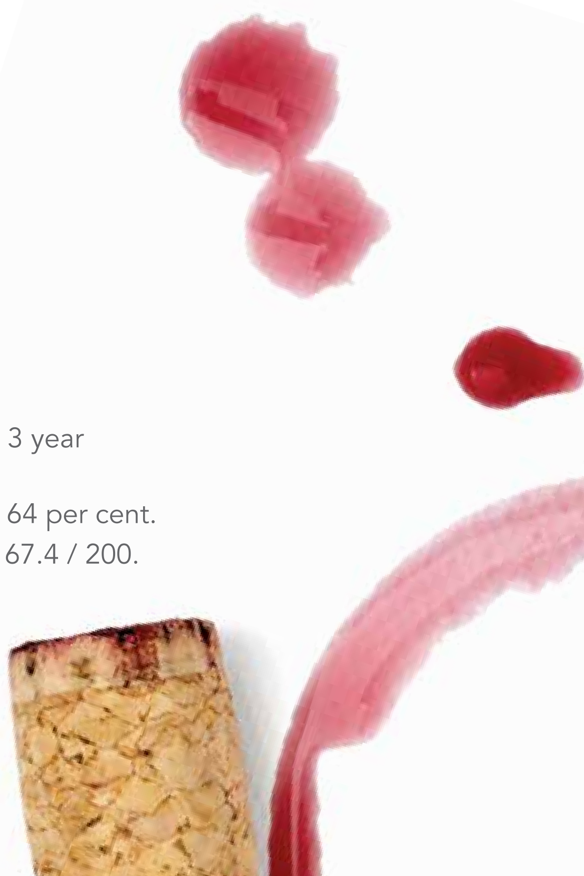
Service excellence
Our people
Corporate citizenship

FOUR-YEAR VISION GOALS

- Maintain 1.4 per cent net income growth.
- Achieve customer experience index score higher than 70 per cent.
- Achieve 145/200 employee engagement index.
- Achieve 85 per cent corporate citizenship index.

ANBL's results related to these goals after the third year:

- Maintain 1.4 per cent net income growth: 1.2 per cent, reflects the 3 year growth. (3 per cent growth in 2014-15)
- Achieve customer experience index score higher than 70 per cent: 64 per cent.
- Achieve 145/200 employee engagement index: 83.7 per cent or 167.4 / 200.
- Achieve 85 per cent corporate citizenship index: 50 per cent.



PRESIDENT'S MESSAGE

The past fiscal was a year full of significant change at ANBL. It was a year during which ANBL evolved many of its ways of working. It was also a year in which ANBL began to place a much greater focus on creating great shopping experiences and running the business as an agile, dynamic retailer. The purpose of these changes was to support our goal of turning ANBL from a place to buy into a place to shop.

I am happy to report that while we have been on this journey of change we have maintained our culture of strong fiscal discipline. Over the past year, our team at ANBL was a source of inspiration for me as they worked hard to improve and to find new ways of delivering great results in spite of the economic and demographic realities of New Brunswick.

The journey of change that we are on at ANBL will continue over the coming year and will position us to continue improving our business. As we move into the next fiscal year, we will continue to focus on optimizing net income, creating great shopping experiences, supporting the development of the alcohol industry in NB and social responsibility. Through the focus on these priorities I am confident that ANBL will continue to deliver strong results in the years to come.

Cheers,

Brian Harriman
President & CEO,
Alcool NB Liquor

REMITTANCES TO GOVERNMENTS

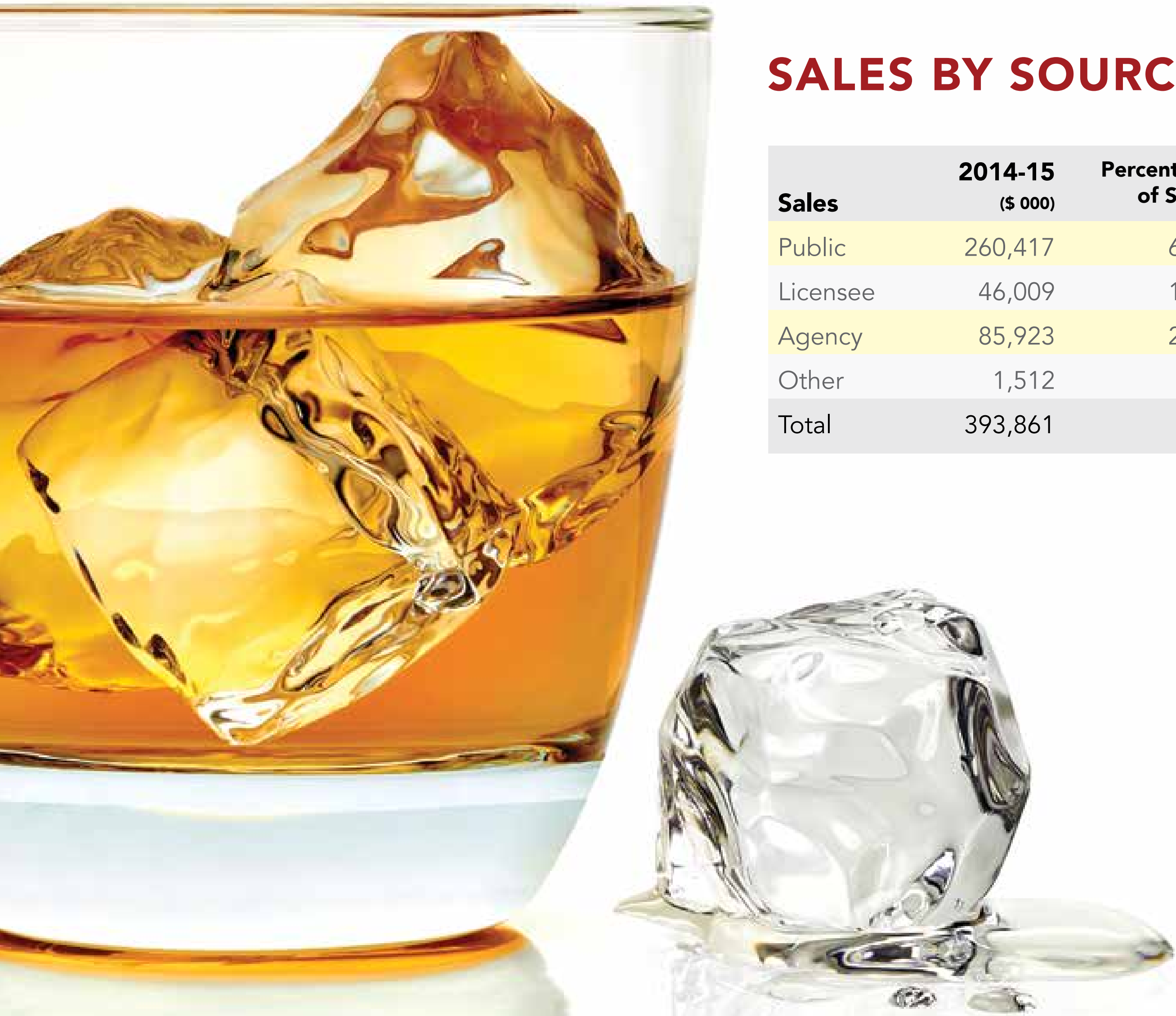
To the Province of New Brunswick:	2015	2014
Distributions from net income and comprehensive income	$ 161 886 416	$ 164 367 749
Environmental Trust Fund	2 375 661	2 216 908
Property Taxes	275 262	289 556
	$ 164 537 339	**$ 166 874 213**
To the Government of Canada:		
Harmonized Sales Tax	$ 30 240 508	$ 30 447 657
Excise tax and customs duties	15 820 221	15 672 045
	46 060 729	**46 119 702**
Total	**$ 210 598 068**	**$ 212 993 915**

STRATEGIC GOAL #1: FINANCIAL

Sales	2014-15 ($ 000)	2013-14 ($ 000)	Change (per cent)
Spirits	93,290	91,816	1.6
Wine	83,612	78,496	6.5
Other	20,903	19,159	9.1
Beer	196,056	194,890	0.6
Total	393,861	384,361	2.5

ANBL achieved $166.1 million in net income during the fiscal year 2014-15, exceeding budget by $1.1 million. Overall sales for the year were $393.9 million, an increase of 2.5 per cent from the previous year. Volume for the year was 55.9 million litres.

Although there was a decline in transactions province wide, the average basket size increased slightly.



SALES BY SOURCE

Sales	2014-15 ($ 000)	Percentage of Sales	2013-14 ($ 000)
Public	260,417	66.1	256,527
Licensee	46,009	11.7	45,485
Agency	85,923	21.8	81,004
Other	1,512	0.4	1,345
Total	393,861		384,361

SPIRITS

Sales of spirits increased by 1.6 per cent, to $93.3 million in 2014-15 from $91.8 million in 2013-14, a positive increase in a category that has had a continual trend of minimal movement. Volume increased by 0.1 per cent.

Spirits sales from ANBL's on-site store at the New Brunswick Spirits Festival, held in November in Fredericton, totalled $153,000.

WINE

Wine sales increased by 6.5 per cent, to $83.6 million in 2014-15 from $78.5 million in 2013-14. Wine volume increased by 5.2 per cent.

Sales at the World Wine and Food Expo on-site store, held in Moncton in late October, totalled $428,000

BEER

Beer sales totalled $196.1 million in 2014-15 compared to $194.9 million in 2013-14, representing a 0.6 per cent increase. Volume decreased by 0.7 per cent.

OTHER BEVERAGES

Other beverages experienced resurgence in the year showing an increase in sales of 9.1 per cent, to $20.9 million from $19.2 million in 2013-14. Volume increased by 10.4 per cent.

INTERNAL EFFICIENCIES AND PROCESSES

As part of ANBL's ongoing efforts to gain efficiencies and to meet our commitments to the Province, a decision was made to create a leaner structure for the organization, moving four Vice President appointments to 3, we also returned to a three district format for stores and retail network.

In addition to the new structure, a staff realignment was conducted that saw the creation of three structured category teams tasked with the creation, implementation and management of their individual portfolio plans within the overall corporate plan.

Information Technology continued to progress on its multi-year modernization strategy. Our in-house developed human capital management applications such as time and attendance, human resource information and payroll processing were successfully moved to a third-party provider.

Planning is underway for the replacement of our ageing point of sale system across our store network. Work continues to increase service availability in the event of infrastructure failures.

ANBL 2.0, our project to replace procurement and inventory processes continues to progress. This transformational project is scheduled for completion in 2015-16.

ANBL also rolled out the Grocery Store Pilot stores, which consists of 6 grocery stores located geographically across the province with a mixture of urban and rural locations. The intent of the program is to assess the potential of expanding ANBL operations into grocery stores under an agency type model. It is hoped that ANBL will benefit from increased revenues, expanded customer exposure to wine and improved customer service by expanding points of purchase into high traffic grocery locations with resulting overall growth in the wine category. The pilot program will run from May 2014 through December 2015

To improve our cold room we introduced a new racking system in two of our stores to have easier access and displays for premium products and lower volume skus that would normally be less prominent in the existing configuration.

One of ANBL's focuses this past year was educating our consumer base with the introduction of our food & beer pairing and the cider style guide. These tools are specifically designed for our consumers, we are confident that this helps them make better purchases.

We revamped our depot and economy beer strategy to fit our current business environment by introducing a beer OTO (one time offer) program. By implementing this program we were able to see a larger volume and profit increase.

A new depot strategy was created for five depot stores in order to manage them differently than our corporate stores with regards to marketing and product mix. It also places emphasis on increasing foot traffic and increasing the basket size for our consumers at these depot stores.

ANBL was the first liquor jurisdiction in Canada to offer a growler format to its customers, in a pilot project introduced into four stores. Each store has three taps with products that are rotated weekly, with beer offerings typically ranging from $10 to $15. A growler is a 1.89 litre beer jug. This program has improved shopping experience and helps consumers to think about beer differently.

STRATEGIC GOAL #2: CUSTOMER SERVICE

ANBL created a Sales & Merchandising Manual which was introduced at the Annual Manager's Conference. This manual details the standards and maintenance programs for merchandising and customer service.

We began tracking sales per hour which will become the basis for productivity in stores. The metrics will capture sales per employee hour by banner and by period with bands being established to help determine where resources should be focused.

ANBL launched a mystery shopper program to better monitor the "Check 25" program in Corporate and Agency stores.

We conducted a full review of Cold Room merchandising and tested new concepts. Redi Racks were installed in two stores with plans to expand to new builds, major renovations, selected stores, and eventually all outlets. This has further enhanced customer service and the shopping experience.

ANBL successfully launched a new portfolio of barware and gift bags. These new additions are part of providing customers with a one stop retail outlet for all their liquor needs.

NEW STORES AND MAJOR RENOVATIONS

New Construction:
ANBL opened a new retail outlet in Bathurst, replacing the older premise. The new store is located adjacent to a national grocer, with many opportunities for growth and traffic count improvements. The store features a greatly enhanced product selection, a much larger chilled products room, wine tasting units, and a product education area.

The construction scheme of a new store on Somerset Street in Saint John was completed with a fresh look and feel in terms of new colour palette, flooring, shelving and lighting that is state of the art for ANBL. The new premise replaced an aged and undersized store. The new store is located adjacent to a national grocer and provides better access for the areas servicing the university and medical sector of the city.

Major Renovations:
The renovation of the Hampton store included a new colour palette, flooring, shelving and lighting. These improvements have enhanced the customer experience and modernized the store.

Extensive renovations to the Sackville store were completed this year. The store received improvements to fixtures and mechanical systems and increased the product portfolio. These enhancements add to the customer experience.

Other Projects:
The modernization and energy efficiency of the Retail Operations Center (ROC) began this year. The improvements include modernization of heating equipment in the distribution center and further improvements are scheduled for the office heating and exterior building envelope.

STRATEGIC GOAL #3: EMPLOYEE ENGAGEMENT

The positive results of the ANBL's fall 2014 Employee Engagement Survey prompted the delivery of a corporate action plan for the purpose of maintenance.

The Accelerated Leadership Development Program (ALDP) continues to be impactful in developing leadership from within ANBL. Since the inceptions of ALDP in 2007 over 59 employees have completed the program and participants who have been promoted to leadership roles have experienced a shorter learning curve and exceptional performance results. Phase five of the ALDP began in quarter four with 12 high potential leadership participants accepted into the core program.

The effectiveness of ANBL's attendance management process was assessed and we continue to explore opportunities for improvement and monitor results with the goal of maintaining a safe and timely return to work.

ANBL transitioned to the ADP WorkforceNow Human Capital system (HCM) in October 2014. This replaced the previous HRIS and includes an online application system.

The Store Scorecard Excellence Award winners for the 2014-15 fiscal year are listed below. The awards were presented to Managers at the 2015 Spring Conference Gala Dinner, on behalf of all store staff.

Depot Banner: • Gold - Salisbury	**C Banner:** • Gold – Richibucto • Silver – Shediac
A Banner: • Gold – Dieppe	**D Banner:** • Gold – Bouctouche • Silver – St. Andrews
B Banner: • Gold – Newcastle • Silver – Moncton North	**District:** • Gold – Adam Savoy (District 1 – Northern NB)

The Service Excellence Awards were awarded to:
- Gold – Richibucto
- Silver – Salisbury
- Silver – Bouctouche

In an effort to further reduce workplace injuries and promote a healthy and safe workplace, the Health & Safety Specialist visited each ANBL store to discuss these important issues.

ANBL continued its efforts to build a collaborative partnership with CUPE 963 in order to proactively address on-going labour issues. Twelve grievances were received in 2014-15. Six were resolved, with the others still outstanding at the end of the year. The Collective Agreement negotiation process was started as the current contract expired in January 15, 2015.

STRATEGIC GOAL #4: CORPORATE CITIZENSHIP

Social Responsibility - New for 2015

"Get Pink'd" - Canadian Breast Cancer Foundation

In March 2015, ANBL held a "Get Pink'd" day across all stores. A total of $2,165 was raised by employees each paying $5 to wear a Get Pink'd button, encouraged to dress in as much pink as they wanted and decorate the stores and ROC departments. This fundraising effort by ANBL staff was a lot of fun and was very visible for customers.

Daffodil Campaign - Canadian Cancer Society of New Brunswick

In April, ANBL hosted a week long daffodil pin sales campaign across the province. This fundraising campaign raised over $44,000.

United Way / Centraide 2014 campaign for Central New Brunswick

For the first year ever, ANBL sponsored a "loaned representative" for the United Way / Centraide 2014 campaign for Central New Brunswick. Lisa Hanna, a Permanent Part-Time employee working in the Prospect Street store, was dedicated to this initiative.

In this second year of our three year Memorandum of Understanding with the three United Ways of New Brunswick, employees participated in the United Way National Day of Caring. From all the various fundraising efforts, ANBL donated over $37,000 in 2014. In recognition of our efforts, ANBL was presented with the 2014 Community Builder award. ANBL is proud of its team for being dedicated to the United Way of New Brunswick.

ANBL donated over 100 items to various organizations in support of their fundraising efforts.

For the second year in a row, ANBL did a prompt-at-cash for the Canadian Mental Health Association of New Brunswick. On behalf of our customers, we donated close to $29,000 to CMHANB and ANBL was presented with the NB corporate "Mental Health Champion" certificate for 2015. Additionally, twenty senior ANBL employees attended invaluable Mental Health awareness training.

Thanks to the generosity of customers, ANBL also donated to other organizations such as:

- MADD Canada: $50,000 School Assembly Program; $34,000 from Prompt at Cash, $9000 from Donations Box
- Atlantic Salmon Conservation Foundation: $66, 000
- Canadian Red Cross Nepal Region Earthquake Fund: $9, 000
- Centre bénévolat de la péninsule acadienne: $5,000

In an effort to continue to promote social responsibility, ANBL acted as transportation sponsor at seven major events held throughout the province.

The ID Check program saw an increase, with 592,012 customers questioned (up 390, 471 more than the previous year) and 14,336 declined services. A target of challenging at least 5 per cent of customers was set while actual challenges were 6.5 per cent. ANBL was able to increase the ID Check program by 2.1 per cent.

For the seventh consecutive year, ANBL offered a Safe Grad initiative to all New Brunswick high schools. Sanctioned by the Department of Education, ANBL engaged New Brunswick high school students to help deliver the message about making responsible choices through video or song. Submissions created by students were received and evaluated, with a total of $9,000 being awarded for several graduating class of 2015 throughout New Brunswick High Schools.

Approximately 150 organizations took advantage of passive solicitation opportunities in corporate stores during the 2014-15 fiscal year.

Environmental

Leveraging the Green Building Code and Efficiency NB's Core Performance, ANBL has now adopted the National Energy Code for Buildings (NECB) for its construction practices with respect to new construction and renovations. With the adoption of NECB, ANBL will realize further energy savings from modernized mechanical systems.

The installation of control systems at stores and head office to permit remote tracking and monitoring of energy and water consumption continued this year. This real time information will allow faster recognition of issues and help mitigate and identify solutions much faster.

Phase 1 (of 2) of upgrading the heating system and distribution at the Retail Operations Center commenced. Phase 1 consisted of converting the Warehouse heating from hot water radiation to natural gas. Phase 2 (in 2015-16) will involve the total conversion of the current steam boiler system to high efficiency hot water boiler system to feed the Head Office sector of the ROC.

ANBL has completed Phase 1 (of 2) of replacing the original ROC exterior lighting. Phase 1 consisted of removing the old light fixtures and replacing them with high efficiency LED fixtures. This replacement netted a 30% reduction in fixtures, hence conserving energy. Phase 2 (in 2015-16) will focus on the Warehouse sector of the ROC.

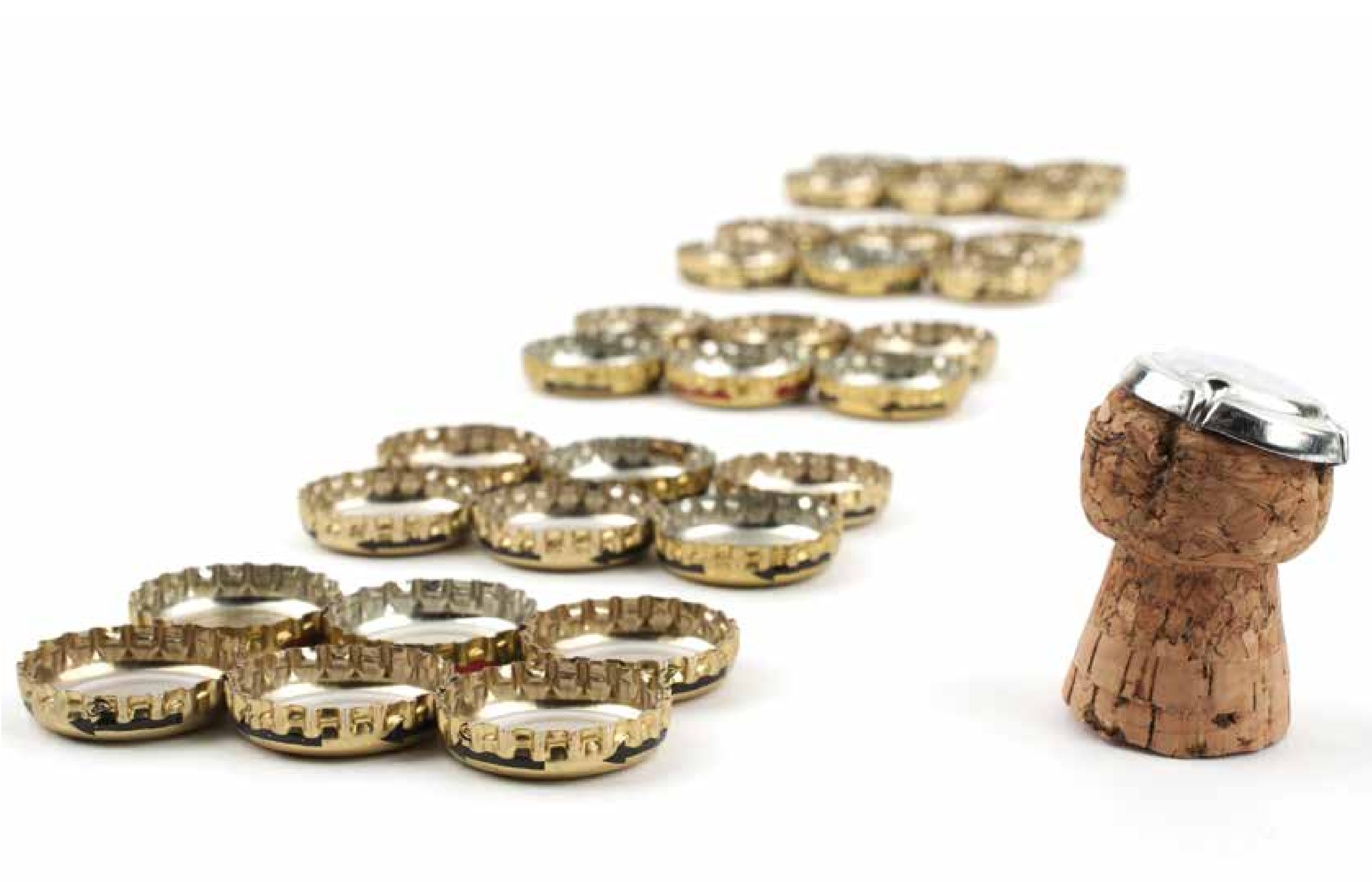
Governance

The renewal of the Government's Mandate Letter continues to be a key component in governance of ANBL. This mandate letter is formalized for the Board of Directors of the New Brunswick Liquor Corporation to inform them of the government's current intentions and expectations. ANBL is central to the future of New Brunswick and through this letter the government will reinforce a continued strong and constructive relationship with ANBL's Board and management.

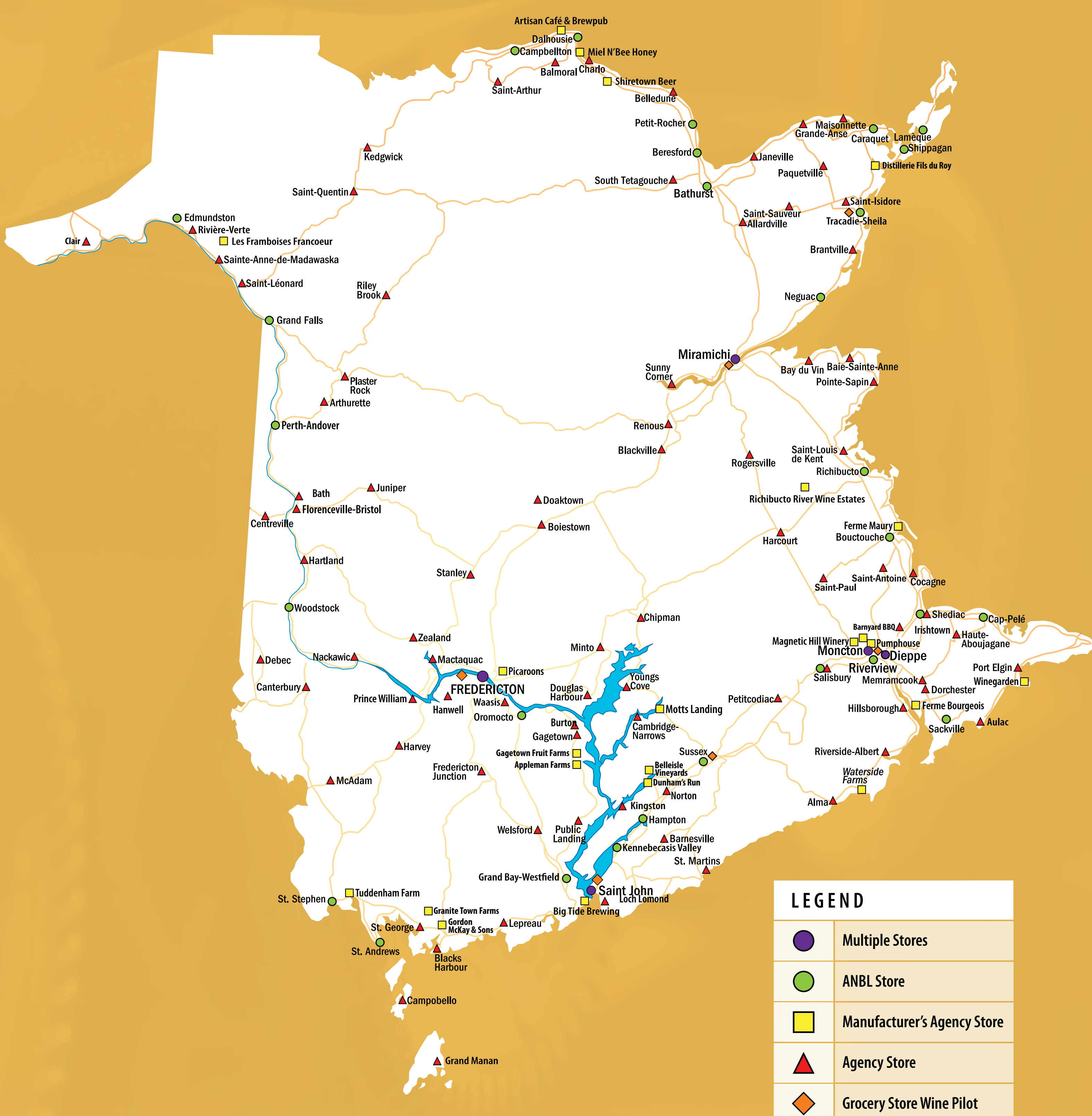
The New Brunswick Liquor Corporation Act was updated and sanctioned by government, for only the third time since 1976. Changes included clarifying ANBL's operational mandate and improving the recruitment process for new Board members and President & CEO appointments, and term length for serving board members.

Three complaints under the Official Languages Act were received in the 2014-15 fiscal year. One investigation was completed; one was resolved informally, while one remains under investigation.

The annual report is tabled in the Legislative Assembly, and is available online at www.anbl.com. Under the Right to Information and the Protection of Privacy Act, our records are open to public scrutiny. ANBL is accountable to the provincial government and to New Brunswick residents.



STORE LOCATIONS



SALES BY LOCATION

$000's

Location	Public	Licensee	Total	Total
	2015			2014
Bathurst (4)	$ 8 323	$ 1 226	$ 9 549	$ 9 155
Beresford	3 016	156	3 172	3 160
Bouctouche (2)	2 546	401	2 947	2 755
Campbellton (2)	2 656	879	3 535	3 407
Cap-Pelé	2 515	160	2 675	2 707
Caraquet (3)	3 439	959	4 398	4 329
Dalhousie (3)	1 693	376	2 069	2 011
Dieppe				
Dieppe Blvd.	5 658	636	6 294	6 475
Dieppe	12 463	3 176	15 639	13 896
Total Dieppe Stores	18 121	3 812	21 933	20 371
Edmundston (3)	7 539	2 223	9 762	9 454
Florenceville-Bristol*				488
Fredericton City				
Brookside Mall (3)	7 249	3 248	10 497	10 444
Devon Park (5)	9 033	1 057	10 090	10 284
Prospect Street (1)	12 747	1 460	14 207	14 505
York Street (1)	11 926	1 793	13 719	13 507
Total Fredericton Stores	40 955	7 558	48 513	48 740
Grand Bay-Westfield (2)	2 978	253	3 231	3 091
Grand Falls (3)	4 621	785	5 406	5 324
Hampton (1)	3 639	103	3 742	3 871
Kennebecasis Valley (2)	12 725	1 058	13 783	13 131
Lamèque	1 941	139	2 080	2 029
Miramichi City				
Chatham (3)	4 326	684	5 010	5 541
Newcastle (3)	7 302	875	8 177	7 271
Total Miramichi Stores	11 628	1 559	13 187	12 812

$000's

Location	Public	Licensee	Total	Total
	2015			2014
Moncton City				
Elmwood Drive (2)	$ 6 155	$ 989	$ 7 144	$ 7 719
Moncton North	8 530	1 247	9 777	9 697
Mountain Road	7 425	2 392	9 817	10 016
Vaughan Harvey Blvd.	10 396	2 684	13 080	13 284
Total Moncton Stores	32 506	7 312	39 818	40 716
Neguac	2 226	285	2 511	2 331
Oromocto (5)	7 605	1 047	8 652	9 027
Perth-Andover (4)	2 946	366	3 312	3 248
Petit Rocher	2 169	146	2 315	2 319
Richibucto (3)	4 179	552	4 731	4 728
Riverview (3)	7 663	1 654	9 317	9 113
Sackville (3)	4 575	604	5 179	5 186
Saint John City				
Lansdowne Place	7 511	2 004	9 515	9 674
Parkway Mall (2)	10 566	1 577	12 143	12 428
Prince Edward Sq.	5 205	1 571	6 776	6 730
Fariville Blvd. (3)	9 277	1 630	10 907	10 669
Total Saint John Stores	32 558	6 785	39 341	39 501
Salisbury (2)	6 287	188	6 475	5 300
St. Andrews	2 082	797	2 879	2 535
St. George*				679
St. Stephen (2)	5 552	243	5 795	5 532
Shediac (3)	6 748	1 158	7 906	7 426
Shippagan	2 378	376	2 754	2 612
Sussex (4)	6 134	725	6 859	6 964
Tracadie-Sheila (2)	4 862	653	5 515	5 502
Woodstock (6)	5 700	813	6 513	6 311
Warehouse**	83 346	665	84 011	78 500
TOTAL	$347 852	$46 009	$393 861	$384 361

(#) Indicates number of agents at this location

* Closed last year
** Includes web-based ordering for licensees

AGENT SALES BY LOCATION

$000's

Agency Location	ANBL Location	2015 Sales	2014 Sales
Allardville	Bathurst	$ 586	$ 566
Alma	Riverview	350	371
Arthurette	Perth-Andover	407	360
Aulac	Sackville	1 027	859
Baie-Sainte-Anne	Chatham	792	858
Balmoral	Dalhousie	698	712
Barnesville	Kennebecasis Valley	598	668
Bath	Perth-Andover	856	348
Bay du Vin	Chatham	461	482
Belledune	Dalhousie	723	759
Blacks Harbour	Fairville Blvd., Saint John	795	896
Blackville	Newcastle	966	977
Boiestown	Devon Park, F'ton	688	652
Brantville	Tracadie	1 298	1 300
Burton	Oromocto	830	572
Cambridge Narrows	Sussex	830	863
Campobello	St. Stephen	311	263
Canterbury	Woodstock	453	481
Centreville	Woodstock	947	1 052
Charlo	Dalhousie	772	833
Chipman	Devon Park, F'ton	1 206	1 164
Clair	Edmundston	350	284
Cocagne	Shediac	2 400	2 457
Debec	Woodstock	472	499
Doaktown	Devon Park, F'ton	688	728
Dorchester	Sackville	309	373
Douglas Harbour	Oromocto	498	541
Florenceville	Perth-Andover	1 489	1 436
Fredericton Junction	Oromocto	1 048	1 067
Gagetown	Oromocto	582	604
Grand Manan	Parkway Mall, Saint John	1 530	1 411
Grande-Anse	Caraquet	741	750
Hanwell*	Prospect St., F'ton	974	-
Harcourt	Richibucto	581	591
Hartland	Woodstock	1 410	1 448
Harvey	Devon Park, F'ton	1 129	1 221
Haute-Aboujagane	Shediac	725	818
Hillsborough	Riverview	1 181	1 154
Irishtown	Elmwood Dr., Moncton	1 414	517
Janeville	Bathurst	396	424
Juniper	Woodstock	280	315
Kedgwick	Campbellton	856	931
Kingston	Hampton	1 238	1 187
Lake George	York St., Fredericton	1 141	922
Lepreau	Fairville Blvd., Saint John	1 095	1 056
Loch Lomond	Kennebecasis Valley	2 929	1 802
Mactaquac	Brookside Mall, F'ton	1 724	1 671
Maisonnette	Caraquet	327	324
McAdam	St. Stephen	502	500
Memramcook	Elmwood Drive, Moncton	1 945	1 951
Minto	Devon Park, F'ton	1 761	1 779

* opened during the year

$000's

Agency Location	ANBL Location	2015 Sales	2014 Sales
Nackawic	Woodstock	$ 1 298	$ 1 361
Norton	Sussex	2 251	2 129
Paquetville	Caraquet	1 802	1 812
Petitcodiac	Salisbury	1 755	1 786
Plaster Rock	Perth-Andover	937	1 008
Pointe-Sapin	Richibucto	287	275
Port Elgin	Sackville	1 349	1 334
Public Landing	Grand Bay	757	836
Renous	Newcastle	945	1 020
Richibucto Village	Richibucto	373	720
Riley Brook	Grand Falls	249	249
Riverside-Albert	Riverview	337	344
Riviere-Verte	Edmundston	527	475
Rogersville	Chatham	1 440	1 436
Sainte-Anne-de-Madawaska	Edmundston	436	417
Saint-Antoine	Bouctouche	1 726	1 857
Saint-Arthur	Campbellton	205	200
Saint-Isidore	Tracadie	1 006	927
Saint-Léonard	Grand Falls	704	711
Saint-Louis de Kent	Richibucto	1 476	1 409
Saint Paul	Bouctouche	318	383
Saint-Quentin	Grand Falls	1 347	1 388
Saint-Sauveur	Bathurst	254	239
Salisbury	Salisbury	1 978	2 129
Shediac (seasonal)	Shediac	1 167	1 400
South Tetagouche	Bathurst	319	323
St. George	Fairville Blvd., Saint John	2 810	2 165
St. Martins	Parkway Mall, Saint John	599	662
Stanley	Brookside Mall, F'ton	898	886
Sunny Corner	Newcastle	1 054	1 100
Wasis	Oromocto	3 078	2 418
Welsford	Grand Bay	677	896
Youngs Cove	Sussex	821	776
Zealand	Brookside Mall, F'ton	930	990
Manufacturer Agents	Head Office, F'ton	1 095	1 141
TOTAL		**84 513**	**81 004**
Grocery			
Fredericton		453	
Miramichi		120	
Moncton		370	
Saint John		297	
Sussex		73	
Tracadie-Sheila		97	
TOTAL		1410	
TOTAL AGENT SALES		**$ 85 923**	**$ 81 004**

MANAGEMENT & AUDITOR'S REPORT

MANAGEMENT REPORT

The preparation of financial information is an integral part of management's responsibilities, and the accompanying financial statements are the responsibility of the management of the Corporation. This responsibility includes the selection of appropriate accounting policies and making judgments and estimates consistent with International Financial Reporting Standards in Canada. Financial information presented elsewhere in this Annual Report is consistent with these financial statements.

The Corporation maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded. The Internal Audit department performs audits designed to test the adequacy and consistency of the Corporation's internal controls, practices and procedures.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and Annual Report, meets periodically with management, the Manager of Internal Audit and the external auditors, concerning internal controls and all other matters relating to financial reporting.

Deloitte LLP, the external auditors of the Corporation, have performed an independent audit of the financial statements of the Corporation in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and the opinion expressed.

Brian Harriman President & CEO	Richard A. Smith, FCPA, CGA, FCMA Senior Vice-President & CFO

July 3, 2015

INDEPENDENT AUDITOR'S REPORT

To the Directors of New Brunswick Liquor Corporation

We have audited the accompanying financial statements of New Brunswick Liquor Corporation, which comprise the statement of financial position as at March 29, 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of New Brunswick Liquor Corporation as at March 29, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants
July 3, 2015

Statements of Financial Position

As At

	March 29 2015	March 30 2014
Assets		
Current Assets		
Cash and cash equivalents	$ 2 472 103	$ 2 452 719
Trade and other receivables	3 401 148	4 168 783
Inventories (note 7)	26 222 594	24 206 485
Prepaid expenses	492 246	533 278
	32 588 091	31 361 265
Property, plant and equipment (note 8)	7 935 673	7 708 358
Intangible assets (note 9)	2 135 290	1 510 501
Assets held under finance lease (note 10)	83 385	111 180
	$ 42 742 439	**$ 40 691 304**
Liabilities		
Current Liabilities		
Trade and other payables	$ 14 315 825	$ 16 705 731
Non Current Liabilities		
Obligation under finance lease	65 895	102 435
Retiring allowances (note 11)	3 086 182	2 869 945
	17 467 902	19 678 111
Equity of the Province of New Brunswick		
Equity	25 274 537	21 013 193
	$ 42 742 439	**$ 40 691 304**

Commitments and Contingencies (notes 13 and 14)

See accompanying notes to the financial statements

APPROVED BY THE BOARD

Director

Director

Statements of Operations and Comprehensive Income

Year ended	March 29	March 29	March 30
	Budget 2015 (unaudited)	**Actual 2015**	**Actual 2014**
Total sales (note 3)	$ 393 393 768	$ 393 861 174	$ 384 360 702
Less: discounts	7 356 463	6 805 883	6 520 034
Net sales	386 037 305	387 055 291	377 840 668
Cost of sales (note 4)	170 395 530	169 714 395	167 709 224
Gross profit	215 641 775	217 340 896	210 131 444
Other income (note 5)	3 021 666	2 632 651	2 664 145
	218 663 441	219 973 547	212 795 589
Operating expenses (note 6)	53 594 544	53 825 787	51 539 311
Net income and comprehensive income	**$ 165 068 897**	**$ 166 147 760**	**$ 161 256 278**

See accompanying notes to the financial statements

Statements of Changes in Equity

Year ended	**March 29 2015**	**March 30 2014**
Balance at beginning of year	$ 21 013 193	$ 24 124 664
Net income and comprehensive income	166 147 760	161 256 278
Distributions to the Province of New Brunswick	(161 886 416)	(164 367 749)
Balance at end of the year	$ 25 274 537	$ 21 013 193

See accompanying notes to the financial statements

Statements of Cash Flows

Year ended	March 29 2015	March 30 2014
Operating		
Net income and comprehensive income	$ 166 147 760	$ 161 256 278
Items not involving cash:		
Depreciation	1 733 872	1 780 189
Amortization of intangible assets and assets held under finance lease	400 344	375 747
Loss on sale of property, plant and equipment	7 853	319 049
Increase / (decrease) in retiring allowances	216 237	(1 775 424)
Change in non-cash working capital	(3 597 348)	3 148 851
Cash available from operations	164 908 718	165 104 690
Investing		
Additions to property, plant and equipment	(1 971 996)	(1 628 189)
Additions to intangible assets	(997 338)	(417 325)
Proceeds from sale of property, plant and equipment	2 956	377 667
Net cash used for capital investments	(2 966 378)	(1 667 847)
Financing		
Finance lease payments	(36 540)	(36 540)
Distributions to the Province of New Brunswick	(161 886 416)	(164 367 749)
Net cash used for financing activities	(161 922 956)	(164 404 289)
Increase / (decrease) in Cash	19 384	(967 446)
Cash at Beginning of Year	2 452 719	3 420 165
Cash at End of Year	$ 2 472 103	$ 2 452 719

See accompanying notes to the financial statements

March 29, 2015

1. Nature of Operations

The New Brunswick Liquor Corporation (the Corporation) is a Crown Corporation incorporated under the New Brunswick Liquor Corporation Act and is a Government Business Enterprise as defined by Public Sector Accounting Board recommendations. The Corporation's main office is located in Fredericton, New Brunswick and its primary business is the purchase, distribution and sale of alcoholic beverages throughout the Province of New Brunswick. The Corporation is exempt from Income Taxes under Section 149 of the Income Tax Act.

2. Summary of Significant Accounting Policies

a) Statement of compliance

The financial statements of the Corporation comply with International Financial Reporting Standards (IFRS).

The financial statements for the year ended March 29, 2015 were approved and authorized for issue by the Board of Directors on July 3, 2015.

b) Basis of preparation

The financial statements have been prepared on the historical cost basis. These statements have been prepared using the accrual basis of accounting.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

c) Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits.

d) Property, plant, and equipment

(i) Assets owned by the Corporation

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition or construction cost as well as the costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately. Depreciation is computed using the straight-line method based on the estimated useful life of the assets. Useful life is reviewed on an annual basis.

(ii) Derecognition

An item of property, plant and equipment is derecognized when disposed of or when no future economic benefits are expected to arise from the continued use of the asset. A gain or loss arising on derecognition of an asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal and is included in the statements of operations and comprehensive income in the year in which the item is derecognized.

(iii) Subsequent costs

The Corporation recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is possible that the future economic benefits embodied with the item will flow to the Corporation and the cost of the item can be measured reliably. All other costs are recognized in the statement of operations and comprehensive income as an expense as incurred.

(iv) Depreciation

Depreciation of an asset begins when it is available for use. This means when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged to the statement of operations and comprehensive income on a straight-line basis using the following annual rates:

Buildings	2 1/2	%
Paving	10	%
Refrigeration equipment	10	%
Retail equipment	20	%
Furniture, fixtures and equipment	20	%
Automotive	25	%

Leasehold improvements are depreciated on the straight-line basis over the lease term. Property, plant and equipment includes assets purchased or under construction, all or a portion of which may not be in use at the end of the year. As a result, no depreciation is taken on these assets. Assets not in use totalled $1 005 946 ($292 355 in 2014).

(v) Impairment
The carrying amounts of the Corporation's non-financial assets are reviewed at the end of each year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

Non-financial assets are grouped based on their cash generating units (CGU) which is the smallest group of assets which generate cash 'inflows' from their continuing use which are independent from cash inflows of other assets. The Corporation has defined CGUs as its retail stores.

The recoverable amount of a CGU is the greater of its value in use and its fair value less estimated costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are reversed if the recoverable amount in a later period exceeds the carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. At March 29, 2015 and March 30, 2014 there were no indications of impairment.

e) Intangible Assets
Intangible assets include purchased and in-house developed computer software which are recorded at cost and amortized on a straight-line basis over the estimated useful life, as these assets are considered to have finite useful lives. Useful lives are reviewed at each reporting date. The Corporation assesses the carrying value of the intangible assets for impairment on an annual basis. At March 29, 2015 and March 30, 2014 the intangible assets are not impaired. Computer software is amortized on a straight-line basis at a rate of 10% per annum.

f) Leased Assets
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Assets financed by finance lease contracts are capitalized at the lower of the present value of minimum lease payments and fair value of the leased assets and the related debt recorded in non current liabilities. All other leases are classified as operating leases.

Last year the Corporation entered into a finance lease for printers and copiers. The assets were capitalized at fair market value. All remaining leases have been determined to be operating leases as of March 29, 2015. Payments made under operating leases (net of any financial incentives from the lessor) were charged to the statement of operations and comprehensive income based on the contractual annual rental rate in effect at the time.

(i) Lease incentives
In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefits of incentives are recognized as a reduction of rental expense on a straight-line basis.

g) Financial Instruments
(i) Recognition, initial measurement
Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets and financial liabilities are described below.

(ii) Classification and subsequent measurement of financial assets
For the purpose of subsequent measurement, all financial assets have been classified as loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less impairment. Discounting is omitted where the effect of discounting is immaterial. The Corporation's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

The Corporation does not hold any financial assets in the other categories.

(iii) Financial Liabilities
The Corporation's financial liabilities include trade and other payables. These financial liabilities are measured subsequently at amortized cost using the effective interest method.

(iv) Derecognition
Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

(v) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount recognized on the statements of financial position only when there is a legal right to offset the amounts and there is an intention to settle on the net basis or realize the asset and settle the liability simultaneously.

(vi) Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each year. Financial assets are considered to be impaired when there is objective evidence that the estimated future cash flow of the investment will be negative.

h) Foreign currency translation

The financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations and comprehensive income.

i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is defined as average cost. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. Cost includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

j) Provisions

A provision is recognized in the statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in provision due to the passage of time is recognized as an interest expense.

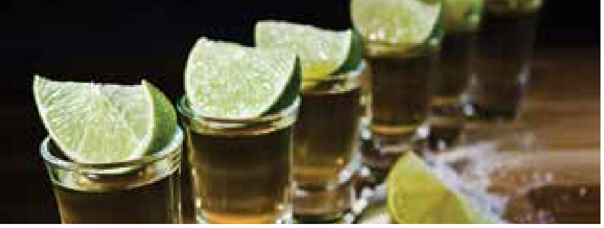
k) Post-employment benefits

(i) Retiring allowances
Bargaining employees are entitled to a retirement allowance based on years of service and rate of pay in the year of retirement or death. This program is funded in the year the allowance is paid. The cost of the retirement allowance earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of salary escalation and retirement age of employees.

Significant assumptions used in the calculation of the liability are as follows:

Discount rate- beginning of year	4.2%
Discount rate - end of year	2.8%
Future salary increases	2.3%
Retirement age	Varies depending on member's current age

(ii) Pension Plan
Effective April 1, 2014, employees of the Corporation transitioned as members of the New Brunswick Public



Service Superannuation Plan to the Public Service Shared Risk Pension Plan (PSSRP), a multi-employer, defined benefit pension plan administered by the Province of New Brunswick. Contributions are made by both the Corporation and the employees. Since sufficient information is not readily available to account for the Corporation's participation in the plan using defined benefit pension plan accounting, these financial statements have been prepared using accounting rules for defined contribution pension plans. Contributions made by the Corporation during the year totaled $2 636 367 ($1 809 166 in 2014).

l) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

(i) Sales to retail customers
Revenue is recognized at the point of sale to customers.

(ii) Sales to agency stores and licensed establishments
Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

- The Corporation has transferred the significant risks and rewards of ownership of the goods to the buyer;
- 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.

m) Accounting estimates and judgements

The preparation of financial statements in compliance with IFRS requires the Corporation's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could affect the reported amount of the Corporation's assets, liabilities, equity or earnings. Areas of estimation where complex or subjective judgments were made include the net realizable value of inventory, useful lives of long-lived assets, impairment of assets, provisions and retiring allowances.

(i) Valuation of inventories
Judgment is required in the determination of the net realizable value of inventories.

(ii) Useful lives of long-lived assets
The Corporation is required to estimate the useful lives, residual values and depreciation method. Management determines the estimated useful lives and residual values of its long-lived assets based on historical experience of the actual lives of assets with similar nature and function. As this information is based on estimates and is subject to change, they are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

(iii) Property, plant and equipment
Property, plant and equipment is aggregated into CGUs based on their ability to generate largely independent cash inflows and are used for impairment testing. The determination of the Corporation's CGUs is subject to management's judgment with respect to the lowest level at which independent cash inflows are generated.

(iv) Impairment of assets
The calculation requires the Corporation to determine the recoverable amount, which involves estimating the asset's or CGU's fair value less costs to sell, their value-in-use, or both. Amounts used in impairment calculations are based on estimates of future cash flows of the Corporation and include estimates of future revenue, operating expenses, discount rates, which are subject to measurement uncertainty. Accordingly, the impact on the financial statements of future periods could be material.

(v) Provisions
The Corporation makes judgments and estimates in recording costs and establishing provisions based on current information regarding cost, expected plans and discount rates. The accrued retiring allowances reflect the Corporation's best estimate of salary, escalation and the retirement ages of employees. The calculations are sensitive to changes in the actuarial and economic assumptions made regarding future outcomes.

n) Current accounting policy changes

In the current year, the Corporation has applied the following new or amended standards issued by the International Accounting Standards Board (IASB). The application of the new standards had no significant impact on the financial statements of the Corporation.

(i) Financial Instruments
IAS 32 (amended) Financial Instruments: Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of "currently has a legally enforceable right of set-off"; and that some gross settlement systems may be considered equivalent to net settlement.

(ii) Impairment of Asset
IAS 36 (amended) Impairment of Asset: Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36). The narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

(iii) Levies
IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37, "Provisions, contingent liabilities and contingent assets". The main features of IFRIC 21 are: (i) the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation, and (ii) the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

o) Future accounting policy changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretation Committee (IFRIC) that are not effective for the year ended March 29, 2015 and although early adoption is permitted, they have not been applied in preparing these financial statements. The Corporation is currently evaluating the effect, if any, the following new standards and amendments will have on its financial statements.

(i) Financial Instruments
IFRS 9 Financial Instruments amended in 2014. The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(ii) Revenue from Contracts with Customers
IFRS 15 Revenue from Contracts with Customers. The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2017.

(iii) Presentation of Financial Statements
IAS 1 (amended) Presentation of Financial Statements (amendments to IAS 1) is part of a major initiative to improve presentation and disclosure in financial reports. The amendments to IAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

(iv) Property, Plant and Equipment and Intangible Assets
IAS 16 (amended) Property, Plant and Equipment and IAS 38 Intangible assets both establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate. These new standards are effective for annual periods beginning on or after January 1, 2016.

3. Total Sales

	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Spirits	$ 93 086 699	$ 93 289 899	$ 91 816 062
Wine	83 447 175	83 612 108	78 495 901
Other beverages	18 530 222	20 902 621	19 158 879
Beer	198 329 672	196 056 546	194 889 860
	$393 393 768	**$393 861 174**	**$384 360 702**

4. Cost of Sales

	Spirits	Wine	Other Beverages	Beer	2015 Total	2014 Total
Inventories at beginning of year	$ 6 881 869	$ 11 553 553	$ 999 051	$ 4 671 109	$ 24 105 582	$ 24 363 835
Purchases	19 794 624	28 032 727	7 673 189	95 473 849	150 974 389	146 762 715
Inbound freight	994 523	1 707 553	555 083	529 741	3 786 900	3 935 556
Outbound freight	232 304	386 937	261 475	264 405	1 145 121	1 080 655
Duty and excise tax	12 490 537	2 254 787	821 626	253 271	15 820 221	15 672 045
	40 393 857	43 935 557	10 310 424	101 192 375	195 832 213	191 814 806
Inventories at end of year	7 769 070	12 352 875	1 335 601	4 660 272	26 117 818	24 105 582
	$32 624 787	**$31 582 682**	**$ 8 974 823**	**$96 532 103**	**$169 714 395**	**$167 709 224**

5. Other Income

	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Merchandising programs	$ 2 586 300	$ 1 994 696	$ 2 340 938
Private importation revenue	243 468	227 402	254 354
Unredeemed beverage container deposits	79 200	123 001	79 141
(Loss) on sale of property, plant and equipment	(75 000)	(7 853)	(319 049)
Brand sales statistics	32 400	45 100	42 000
Train Station revenue	29 500	36 421	40 106
Label chargebacks	45 000	87 719	111 347
Agency store application fees	6 000	12 000	15 000
In-store tasting revenue	25 000	48 850	31 760
Sundry	49 798	65 315	68 548
	$3 021 666	**$2 632 651**	**$2 664 145**

6. Operating Expenses

	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Salaries - stores	$ 18 655 263	$ 18 584 127	$ 18 341 998
Salaries - administration and warehouse	7 092 956	6 810 949	6 511 488
Employee benefits	6 958 751	7 047 975	7 088 604
Rent	7 059 452	6 966 531	6 570 678
Bank charges and debit/credit card fees	2 312 447	2 489 353	2 300 180
Depreciation	1 973 205	1 733 872	1 780 189
Heat and light	1 562 336	1 645 600	1 570 737
Beverage container redemption costs	1 531 595	1 570 117	1 485 052
Professional services	456 308	937 613	792 088
Minor equipment and supplies	793 189	760 219	628 095
Advertising and promotions	663 250	588 504	407 910
Data processing	517 282	523 531	285 422
Repairs to property, plant and equipment	451 565	509 879	460 574
Telecommunications	466 894	437 473	463 292
Amortization of intangible assets and assets held under finance lease	383 795	400 344	375 747
Travel	401 927	360 930	330 504
Security	338 028	317 413	346 832
Shortages	142 000	307 276	232 605
Retail automation system maintenance	224 040	290 545	193 245
Property taxes	277 709	275 262	289 556
Cleaning	252 595	228 907	203 044
Shopping bags	181 176	207 700	169 783
Other	275 579	204 530	178 393
Training programs	168 493	168 845	141 361
Management meetings	126 550	138 875	91 737
Insurance	78 665	84 852	74 919
Warehouse maintenance and supplies	52 182	75 298	67 734
Motor vehicle operation	108 732	70 715	79 552
Postage	51 500	47 090	41 456
Directors' remuneration	37 080	41 462	36 536
	$ 53 594 544	**$ 53 825 787**	**$ 51 539 311**

7. Inventories

	2015	2014
Spirits, wine, other beverages and beer	$ 26 117 818	$ 24 105 582
Supplies	104 776	100 903
	$ 26 222 594	**$ 24 206 485**

8. Property, Plant and Equipment

Cost	Land	Paving	Buildings	Leasehold Improve-ments	Furniture, Fixtures & Equipment	Automotive	Retail Equipment	Refrigeration Equipment	Total
Balance at April 1, 2013	$ 155 386	$ 477 238	$10 530 005	$4 075 021	$16 523 302	$ 278 510	$1 290 101	$2 593 778	$35 923 341
Additions			71 097	173 681	1 134 083			249 328	1 628 189
Disposals	57 021	56 452	1 736 986		302 166	21 630		128 910	2 303 165
Balance at March 30, 2014	$ 98 365	$ 420 786	$8 864 116	$4 248 702	$17 355 219	$ 256 880	$1 290 101	$2 714 196	$35 248 365
Balance at March 31, 2014	$ 98 365	$ 420 786	$8 864 116	$4 248 702	$17 355 219	$ 256 880	$1 290 101	$2 714 196	$35 248 365
Additions			595 106	164 314	971 602	43 632	5 615	191 727	1 971 996
Disposals				189 272	119 423			113 977	422 672
Balance at March 29, 2015	$ 98 365	$ 420 786	$9 459 222	$4 223 744	$18 207 398	$ 300 512	$1 295 716	$2 791 946	$36 797 689
Accumulated Depreciation									
Balance at April 1, 2013		$ 434 934	$7 145 624	$2 823 757	$13 458 224	$ 226 131	$1 246 405	$2 031 192	$27 366 267
Additions		6 159	125 562	234 954	1 235 575	25 025	17 737	135 177	1 780 189
Disposals		56 452	1 102 698		302 166	16 223		128 910	1 606 449
Balance at March 30, 2014		$ 384 641	$6 168 488	$3 058 711	$14 391 633	$ 234 933	$1 264 142	$2 037 459	$27 540 007
Balance at March 31, 2014		$ 384 641	$6 168 488	$3 058 711	$14 391 633	$ 234 933	$1 264 142	$2 037 459	$27 540 007
Additions		6 159	138 841	172 171	1 240 698	21 884	13 687	140 432	1 733 872
Disposals				178 463	119 423			113 977	411 863
Balance at March 29, 2015		$ 390 800	$6 307 329	$3 052 419	$15 512 908	$ 256 817	$1 277 829	$2 063 914	$28 862 016
Carrying Amounts									
At April 1, 2013	$ 155 386	$ 42 304	$3 384 381	$1 251 264	$3 065 078	$ 52 379	$ 43 696	$ 562 586	$8 557 074
At March 30, 2014	$ 155 386	$ 36 145	$2 695 628	$1 189 991	$2 963 586	$ 21 947	$ 25 959	$ 676 737	$7 708 358
At March 29, 2015	$ 98 365	$ 29 986	$3 151 893	$1 171 325	$2 694 490	$ 43 695	$ 17 887	$ 728 032	$7 935 673

9. Intangible Assets

Software	2015	2014
Cost		
Opening	$5 231 871	$4 814 546
Additions	997 338	417 325
Disposals		
Closing	6 229 209	5 231 871
Amortization		
Opening	3 721 370	3 373 418
Additions	372 549	347 952
Disposals		
Closing	4 093 919	3 721 370
Carrying Amount	$ 2 135 290	$ 1 510 501

10. Assets held under finance lease

Equipment	2015	2014
Cost		
Opening	$ 138 975	
Additions		138 975
Disposals		
Closing	138 975	138 975
Amortization		
Opening	27 795	
Additions	27 795	27 795
Disposals		
Closing	55 590	27 795
Carrying Amount	$ 83 385	$ 111 180

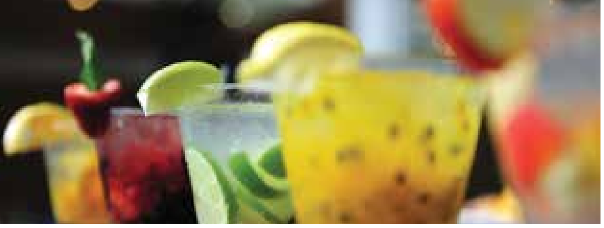
11. Post-employment benefits

(i) Retiring Allowances

In January 2013, pursuant to the direction of the Province of New Brunswick and with the approval of the Board of Directors, the accumulation of retirement allowance benefits ceased for non bargaining employees effective June 30, 2013. The program remains in effect for bargaining employees pending direction from the Province. The last full actuarial valuation of the plan was completed as at March 31, 2012. The defined benefit obligation at March 29, 2015 was extrapolated from the actuarial valuation as at March 31, 2012 using assumptions applicable at March 29, 2015.

Information relating to the plan is as follows:

Reconciliation of defined benefit obligation	2015	2014
Opening balance	$ 2 869 945	$ 4 645 369
Employer current service cost	122 319	160 424
Interest cost	121 032	105 262
Past service cost (including curtailment)		477 494
Loss on settlement		505 113
Benefit payments	(221 097)	(392 752)
Actuarial (gain) / loss due to:		
Experience adjustments		(53 156)
Changes in demographic assumptions		(58 943)
Changes in financial assumptions	193 983	(69 077)
Settlements		(2 449 789)
Closing balance	$ 3 086 182	$ 2 869 945



12. Financial Risk Management Objectives and Policies

(i) Capital management
Management considers capital to be its equity balance. The Corporation's objective when managing capital is to maintain financial strength to sustain maximized returns for the Province of New Brunswick.

(ii) Market risks
Exposure to market risks arises in the normal course of the Corporation's business. The Corporation's overall risk management focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on the Corporation's financial performance.

(iii) Foreign currency risk
The Corporation is exposed to foreign currency risk on purchases that are denominated in a currency other than the Canadian dollar. The currency giving rise to this risk is primarily the U.S. and Euro dollars. Management has mitigated this risk by limiting the number of purchase transactions originating in foreign currency.

(iv) Credit risk
Credit risk is the risk the Corporation will incur a loss because a customer fails to meet an obligation. The Corporation has mitigated the exposure to this risk through limited extension of credit and contractual relationships with business partners. As a March 29, 2015 no customer accounted for over 10% of total receivables.

13. Commitments

The Corporation leases buildings, premises and equipment under operating leases which expire at various dates between 2016 and 2033. Certain of these operating leases contain renewal options at the end of the initial lease term. The following is a schedule, of future minimum lease payments required under operating leases that have, as of March 29, 2015, initial lease terms in excess of one year.

Due within one year or less	$ 6 514 663
Between one and five years	18 859 064
More than five years	28 218 733
	$53 592 460

14. Contingencies

The Corporation is involved in various legal actions and other matters arising out of the ordinary course and conduct of business. The outcome and ultimate disposition of these actions are not determinable at this time. Accordingly, no provision for these actions is reflected in the financial statements. Settlements, if any, concerning these contingencies will be accounted for in the period in which the settlement occurs. Management has mitigated this risk by maintaining insurance coverage as required.

The Corporation indemnifies its Directors and Officers against any and all claims or losses reasonably incurred in the performance of their service to the Corporation.

15. Budget

The 2015 budget figures presented for comparison with the actual figures were approved by the Corporation's Board of Directors and have not been audited.

16. Related Party Transactions

The ultimate controlling party of the Corporation is the Province of New Brunswick. Transactions between the Corporation and the Province of New Brunswick are disclosed in the statement of changes in equity. These financial statements include the results of normal operating transactions with various Crown Corporations (WorkSafe NB and NB Power) with which the Corporation may be considered related. Routine operating transactions with related parties are settled at prevailing market rates under normal trade terms.

(i) Compensation of key management personnel

Members of the Board of Directors and Executive Team are considered to be key management personnel. Total compensation and benefits amounted to $1 005 043 ($971 891 in 2014).

17. Comparitive Figures

Certain 2014 comparative figures have been restated to conform with the presentation adopted in 2015.