ALCOOL · NB · LIQUOR

BEER SPIRITS WINE

BIÈRES SPIRITUEUX VINS

2018-2019
ANNUAL REPORT

BOARD OF **DIRECTORS**

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Andrea DeWitt, *Secretary of the Board (from Oct 2018)*

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EXECUTIVE MANAGEMENT

Brian Harriman, *President and Chief Executive Officer*

Bradford Cameron, *Vice-President, Retail Operations and Customer Service*

Reid Estey, *Vice-President, People & Culture*

Paul Henderson, *Vice-President, Customer Strategy and Engagement*

Lori Stickles, *Vice-President, Finance, CFO*

Nicole Picot, *Vice-President, Communications and Stakeholder Relations*

Lara Wood, *General Manager, Cannabis NB*

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LITRES

	2017-2018	CHANGE	%	2018-2019
SPIRITS	3,041,918	-2,379	-0.1%	3,039,539
WINE	7,027,198	-135,909	-1.9%	6,891,289
BEER	46,592,927	272,703	0.6%	46,865,630
COOLERS & CIDERS	4,095,788	607,009	14.8%	4,702,797

TOTALS

2017-2018
60,757,831

CHANGE
741,423

%
1.2%

2018-2019
61,499,254

SALES PER LITRE

SPIRITS
2018-2019
$33.66

2017-2018
$33.12

WINE
2018-2019
$14.37

2017-2018
$14.09

BEER
2018-2019
$4.24

2017-2018
$4.28

COOLERS & CIDERS
2018-2019
$6.86

2017-2018
$7.07

CHAIR'S LETTER

Honourable Ernie Steeves
Minister of Finance
President of Treasury Board
Province of New Brunswick,
Fredericton, NB

Dear Minister Steeves,

In compliance with the *New Brunswick Liquor Corporation Act*, I am pleased to submit the annual report of the New Brunswick Liquor Corporation for the fiscal year ending March 31, 2019. As an engaged Board of Directors, we strive to provide support and leadership to the Corporation as well as ensuring good governance.

During the past year, the Board and ANBL continued to focus on our Core Values. To **Accelerate Growth**, by optimizing portfolios and responding to customer research to result in achieving our sales targets. To **Eliminate Waste and Add Value**, by incorporating our new LEAN practices in our everyday processes. To **Establish A High-Performance Culture** by engaging with teams with appropriate training and shaping our future leaders. To **Focus on Optimizing Our Relevance to Our Customer** by continuing to wow our customer with the best possible retail experience at every level, and updating our stores in Edmundston, Grand Falls and Caraquet. And to **Be Recognized as A Good Corporate Citizen** by officially launching the ANBL Community Foundation and working with community partners, sharing our Corporate Social Responsibility message.

ANBL's engaged teams continue to strive to be the B.E.S.T. (Better. Every. Single. Time) every day, and the management team provides the quality leadership and direction needed to take the organization to new levels.

Respectfully submitted,

Rachelle Gagnon
Chair, Board of Directors

"we strive to provide support and leadership to the Corporation as well as ensuring good governance.

OUR OPERATIONS

2018 **86** | 2019 **86**

NUMBER OF AGENCY STORES

2018 **41** | 2019 **42**

NUMBER OF ANBL STORES

2018 **41** | 2019 **66**

NUMBER OF GROCERY STORES

2018 **436** | 2019 **449**

NUMBER OF EMPLOYEES

2018 **2267** | 2019 **2287**

NUMBER OF REGULAR LISTED PRODUCTS

2019 VISION

Our engaged team delivers the

B.E.S.T

(Better. Every. Single. Time.)
retail customer experience.

MISSION

To responsibly manage a successful business for the people of New Brunswick.

2016-2020 STRATEGY

Our four-year strategic plan focuses on growth, eliminating waste and adding value, building a high-performance culture, enhancing our customer relevance, and improving our corporate citizenship. Fiscal 2018 – 2019 is the third year of the four-year plan.

FOUR-YEAR STRATEGIC GOALS

We are responsible for the purchase, importation, distribution and retailing of all beverage alcohol in New Brunswick. It's a responsibility we take very seriously and strive to improve upon every year. As a Provincial Crown Corporation, we serve the public and licensee community through our network of retail stores, private agency outlets, and grocery stores.

FOUR-YEAR VISION GOALS

1 ACCELERATE GROWTH

Achieve an average net income growth of 1.5%.

2 ELIMINATE WASTE AND ADD VALUE

Conduct a LEAN review of 80% of processes.

3 ESTABLISH A HIGH-PERFORMANCE CULTURE

Implement trusted and trained teams at all levels.

4 FOCUS ON OPTIMIZING OUR RELEVANCE TO OUR CUSTOMER

Become the preferred retailer in New Brunswick.

5 BE RECOGNIZED AS A GOOD CORPORATE CITIZEN

Provide a positive impact on society.

PRESIDENT'S MESSAGE
2018 – 2019

I am excited to share this annual update with you and provide a brief glimpse into what exciting initiatives occurred in 2018-2019.

In 2018, the ANBL Community Foundation was launched. This initiative has been planned over the past two years and was unveiled in the Spring of 2018. Historically, ANBL has proudly partnered with and sponsored many platforms and campaigns with distinct criteria in place for this support. With a well-defined purpose and platform, the ANBL Community Foundation allows ANBL to enhance corporate citizenship and lend a helping hand to many provincial communities and individuals. Be sure to look for the ANBL Community Foundation logo at events around the province and initiatives partnered with ANBL stores.

Our new corporate store in Caraquet was unveiled and has now become well known for its welcoming atmosphere, clean lines, and making shopping an experience that is a fun and social outing. Our core value of "Celebrate Success" was readily apparent when completed, and the positive energy that resulted was shared with the community and surrounding areas. The Caraquet store has quickly become a retail destination that I encourage you to visit if you haven't yet had the opportunity.

> ***"the positive energy that resulted was shared with the community and surrounding areas.***

In 2018-2019, ANBL's focus was on the retail experience in our stores. Optimizing areas of efficiency and improvement lead to improved convenience and overall experience of our customers. We reconfigured the stores, particularly improving the esthetics and set-up in the store, and this has been well received by customers and staff alike. The research and customer survey results were beneficial in identifying areas of improvement, and I would like to thank our customers for their participation. Our team members in the corporate network, and the support received from the Retail Operations Centre team, are instrumental to ensure the customer experience continues to the standard currently set. I take great pride in going into our stores and seeing first-hand the smiles and genuine enjoyment of the service they provide.

Cheers,

Brian Harriman
President and CEO

2018 – 2019 YEAR IN REVIEW

STRATEGIC GOAL #1

ACCELERATE GROWTH

In fiscal year 2018-2019, ANBL generated $169.0 million in net income compared to a budget of $171.1 million. Overall sales for the year were $433.0 million – a 1.01% increase from last year. Volume for the year was 61.5 million litres. Transaction count declined in 2018-2019, however, the average ticket size increased slightly.

SALES BY **PRODUCTS**

SALES	2018 – 2019 ($000's)	2017 – 2018 ($000's)	CHANGE (%)
Spirits	102,298	100,755	1.53
Wine	99,047	99,047	0.00
Beer	198,920	199,507	-0.29
Coolers, Ciders and Non-Alcohol	32,721	29,358	11.45
TOTAL SALES	**432,986**	**428,667**	**1.01**

SALES BY **SOURCE**

CHANNEL	2018 – 2019 ($000's)	% OF SALES	2017 – 2018 ($000's)	% OF SALES
Public	273,789	63.2	276,718	64.6
Licensee	45,981	10.6	45,777	10.7
Agent	104,013	24.0	98,347	22.9
Grocery	8,142	1.9	6,475	1.5
Other	1,062	0.2	1,350	0.3
TOTAL	**432,986**	**100.0**	**428,667**	**100.0**

SPIRITS

Spirits sales increased by 1.5%, to $102.3 million in 2018-2019 from $100.7 million in 2017-2018, a positive increase in a category which consistently remains stable. Volume decreased by 0.1%.

Spirits sales from ANBL's November on-site store at the New Brunswick Spirits Festival in Fredericton totalled $319,000, an increase of 4.1% over last year.

WINE

Wine sales remained unchanged at $99 million in 2018-2019, same as the amount sold in 2017-2018. Volume decreased by 1.9%.

Sales at the World Wine and Food Expo on-site store, held in Moncton in early November, totalled $369,000 a decrease of 6% over last year.

BEER

Beer sales decreased by 0.3%, totalling $198.9 million in 2018-2019 compared to $199.5 million in 2017-2018. Volume increased by 0.6%.

COOLERS & CIDERS

Sales of coolers and ciders continued to rapidly grow in 2018-2019, showing an increase of 11.5%, totalling $32.7 million compared to $29.4 million in 2017-2018. Volume increased by 14.8%.

REMITTANCES TO GOVERNMENTS

PROVINCE OF NEW BRUNSWICK	2018 – 2019	2017 – 2018
*Payments from net income	$ 147,941,170	$ 171,456,450
Environmental Trust Fund	3,020,213	2,817,174
Property taxes	285,695	299,903
	$ 151,247,078	$ 174,573,527
GOVERNMENT OF CANADA		
Harmonized Sales Tax	$ 36,316,774	$ 40,358,673
Excise tax and customs duties	21,072,549	18,076,770
	57,389,323	58,435,443
TOTAL	**$ 208,636,401**	**$ 233,008,970**

* *Payments to the Province from net income represent net cash available from operations for the fiscal year, and fluctuate year over year based on cash available.*

2018 – 2019
YEAR IN REVIEW

STRATEGIC
GOAL
#2

ELIMINATE WASTE AND ADD VALUE

SUPPLY CHAIN & WAREHOUSE

The Supply Chain department focused on gaining a greater understanding of Great Plains Dynamics as well as process/product flow following the roll-out in May 2016 as several team members changed roles and three new employees joined the team. Additionally, the team participated in the T4G project to define product lifecycle processes for the organization.

An internal regional distribution project was completed to assess future needs to strengthen regional cooperation. To date 14 Regional Distribution Centres (RDCs) have been established. The RDCs service all four Atlantic liquor boards. Benefits include a reduction in product lead time, inventory turnover improvement and reduced on hand warehouse inventory. The immediate project objective was to determine if ANBL should allow suppliers to continue to utilize third party logistics providers and convert to this model. The long term or secondary objectives at the launch of the project was to determine how ANBL will serve all markets from a distribution standpoint.

Warehouse operations continued their focus on lean outbound transportation. Costs were reduced by 7% ($68,000 versus budget) thereby eliminating waste and improving the bottom line.

Warehouse operations implemented iWarehouse, the industry's leading fleet optimization system for managing industrial vehicles and making the critical decisions necessary to reduce costs. The iWarehouse system will assist the rightsizing of the forklift fleet without sacrificing productivity and performance. Through access control, pre-shift checklists, and truck monitoring iWarehouse puts management in control of who is driving equipment and when, as well as provide a wealth of information to assist with the decision-making process of the warehouse fleet. iWarehouse is the industry's most powerful and comprehensive fleet optimization solution, and a revolutionary leap forward in the way businesses acquire, analyze and act upon intelligent information about the forklift fleet.

iWarehouse is a fleet optimization tool that allows the following:

- **Controlled Access** – unit controls who may use the equipment (only authorized people)
- **Training Records** – unit prevents expired license drivers from using the equipment
- **Electronic Daily Checklist (Real Time)** – unit forces operators to complete the check list
- **Impact Monitoring (Real Time)** – reports accidents the second they happen via TEXT message (who was driving/what machine/how severe it was)

NB POWER DEMAND RESPONSE PILOT PROGRAM

In 2018-2019, ANBL continued to participate in the NB Power Demand Response pilot program. In the pilot, ANBL utilized their backup generator to remove electrical demand (approx. 180KW) from the NB Power grid during peak times allowing NB Power to assess the need for delivering excess power to the grid.

ROC IMPROVEMENTS TO INCREASE PERFORMANCE

ANBL made significant improvements to its Retail Operations Centre, by upgrading mechanical equipment to be more energy efficient and renovating office space to increase occupancy.

> ***"Warehouse operations continued their focus on lean outbound transportation. Costs were reduced by 7%***

2018 – 2019
YEAR IN REVIEW

STRATEGIC GOAL #3

ESTABLISH A HIGH-PERFORMANCE CULTURE

“the focus remains on the delivery of team and individual action plans to increase engagement

PEOPLE & CULTURE EMPLOYEE ENGAGEMENT

ANBL’s latest Employee Engagement Survey was conducted in March 2019. Almost all team members responded, achieving a 99% participation rate. Engagement results increased from 4.10 to 4.13 (out of a possible score of 5.00). Striving for continuous improved engagement is the goal while always being mindful of the interactions with each other. As in previous years, the focus remains on the delivery of team and individual action plans to increase engagement. Action plans include:

- **Providing coaching and training on increasing team engagement to all managers.**
- **Creating team goals to drive engagement.**
- **Prioritizing engagement goals and focusing on team commitments.**
- **Continuing to change conversations by focusing on successful outcomes.**
- **Celebrating success!**

PROFESSIONAL DEVELOPMENT

Accelerated Leadership Development Program (ALDP)

Since its 2007 inception, the Accelerated Leadership Development Program (ALDP) has been developing leadership from within ANBL, and to date 106 employees have completed it. This fiscal, 16 new participants began their personal leadership development journey with a focus on Retail Store leadership development. The ALDP program has developed participants who have been promoted to leadership roles, in which they experience professional success and exceptional performance/business results, as demonstrated in the Store Awards each year. This year 91% of the Store Awards went to ALDP program participants.

ORGANIZATIONAL EXCELLENCE

Safety Leadership

ANBL continues to focus on Safety Leadership. ANBL believes that consistent ongoing safety coaching by leaders and team members will help shape teams and ensure a culture of safety throughout the organization. Action plans include targeting deeper safety awareness, and continuous improvement efforts for best safety practices. The Safety Leadership Program engages and empowers team members in transforming organizational culture by demonstrating that caring for safety is always a priority.

Safety is a key indicator of organizational excellence. ANBL's goal is to create, build and establish safety into every process, kindness in every interaction, and success in business.

- **Strive** for a zero-injury environment.
- **Believe** that all injuries are preventable.
- **Operate** on the basis of continuous improvement.

CUSTOMER SERVICE

Coaching

During fiscal 2018-2019, 84.5% of Managers and Assistant Managers were re-certified as coaches in the SERVICE Excellence customer service program. In addition to these valuable coaches, ANBL engaged three Retail Sales Coaches in Q3. Their primary role is to provide store team members with professional level coaching feedback and ongoing coaching-the-coach training for a higher success rate of annual coaching re-certifications. The addition of professional coaching resources will take ANBL to the next level of exceptional customer service from the floor to the point of sale.

Intensive Selling

In fiscal 2018-2019, ANBL introduced the fourth phase of its Intensive Sellers program. The program has evolved, while maintaining its focus on selling skills, merchandising standards, business acumen, and product knowledge. The Intensive Seller program has been very successful in changing the selling culture in stores and it will continue throughout fiscal 2019-2020. Since its introduction in fiscal 2015-2016, we have had 32 successful candidates - three of which have advanced to Product Advisor positions, one to a Store Manager and one to a Retail Sales Coach.

STORE IMPROVEMENTS TO INCREASE PERFORMANCE

The ANBL brand continued to expand throughout the province with renovations to stores in Edmundston, Grand Falls and Caraquet. These updated stores are focused on providing customers with a modern, relevant, and exciting experience. These locations offer customers several enhancements, as well as portfolio expansion.

CUSTOMER SERVICE & RETAIL OPERATIONS

STORE AWARDS

Awards were presented to Managers and Assistant Managers at the 2019 Spring Leadership Conference on behalf of all the retail team.

SERVICE EXCELLENCE AWARDS

These awards are given to the stores with the top overall scores on their best three out of four mystery shops.

100% GOLD SUSSEX #35	99% SILVER SALISBURY #47	98% BRONZE BOUCTOUCHE #20

STORE SCORECARD AWARDS

Awarded to stores in each banner with the highest scores on their balanced scorecard.

Depot	119.80% SALISBURY #47		
"A" Banner	89% GOLD Vaughan Harvey Blvd, MONCTON #26	66.25% SILVER DIEPPE #66	
"B" Banner	111.30% GOLD Somerset Street, SAINT JOHN #4	88% SILVER Elmwood Drive, MONCTON #63	87.75% BRONZE EDMUNDSTON #14
"C" Banner	84.65% GOLD CHATHAM #29	84.25% SILVER TRACADIE-SHEILA #22	74.10% BRONZE RICHIBUCTO #19
"D" Banner	102.85% GOLD DALHOUSIE #9	98.15% SILVER SHIPPAGAN #21	

2018 – 2019 YEAR IN REVIEW

STRATEGIC GOAL #4

FOCUS ON OPTIMIZING OUR RELEVANCE TO OUR CUSTOMER

CREATING E
EXPERIENCES THAT

In the third year of the four-year strategic plan, ANBL focused on becoming more streamlined, and on implementing processes that would improve efficient work. Not only would these efforts save time and resources for support departments, but they would allow store teams to spend more time with the most important person(s) of all – customers.

The Customer Strategy and Engagement team, working closely with Supply Chain and Store Teams, continued to evolve the ever-important In-Store Merchandising Program to ensure it accomplished its goal of enticing customers to either try something new, or stock-up on their favourite. This program now generates in excess of $3 million in program revenue, in addition to the incremental sales and volume gained by having a well-planned and well-executed in-store program. In order to accomplish this, a strategic restructuring of the Customer Strategy and Engagement team happened concurrently and has proven to be successful as the program rolled out in October.

In the spirit of daring to do better, ANBL worked on two large projects in 2018-2019 in order to a) get to know customers better, and b) ensuring efficient work when listing, delisting, and managing products, from “cradle to grave”.

In the first project, ANBL completed the largest customer research project in its history to learn more about New Brunswick customers, and what they expect when it comes to the way ANBL does business in the province. The project focused on three specific areas:

- What makes a customer choose where to shop (ANBL store, grocery store, agency store, manufacturers’ or brewers’ agency store) as well as what and why they purchase when there.
- How do customers shop, and what type of experience do they expect in the Corporate stores?
- What do customers want that is not currently offered?

‘WOW.’

A multi-faceted approach was taken, engaging with people across the province via focus groups, in-store “shop-alongs” and surveys. This data will serve as the foundation for future work pertaining to modernizing the business to remain relevant both in the eyes of customers and various stakeholders.

In order to fully capitalize on the knowledge gained from customers through the above-mentioned project and as a retailer of thousands of products, ANBL needed to ensure its Product Lifecycle Management Program, and all processes within, were as efficient as possible. Working with both internal and external partners, an entire review and overhaul of the product lifecycle was undertaken in 2018-2019. The work completed will not only ensure ANBL can remain relevant with customers by ensuring product is distributed through the network efficiently, but also ensures that internal teams know what is expected of them and provide them with the tools to do the job.

MARKETING AND MERCHANDISING

In 2018-2019, ANBL ensured the focus was on not only building an experience in-store that “wowed”, but also focused on increasing traffic via new marketing campaigns, increased use of digital advertising, and by building the online community.

ANBL’s brand continues to permeate into the market, as demonstrated by online engagement and positive feedback from the research project. During the journey towards being ultra-relevant, ANBL continues to leverage new technologies to ensure web and in-store experiences leave customers feeling appreciated and engaged.

> “ ***ANBL focused on becoming more streamlined and focused on implementing processes that would improve efficient work***

BEER
Steady as it Goes

Given its size, the Beer category always plays a large part in ANBL's success. In 2018-2019, the strategy was threefold:

- **to stabilize** domestic mainstream beer after the implementation and continuation of the "Everyday Low Price" offer on large pack sizes
- **to increase focus** on premium and imported products
- **to drive traffic** via new releases, seasonal offerings, and ultra-premium allocations

ANBL worked closely with internal partners and suppliers to ensure the overall health of the category was kept following three years of tremendous change. The goal was to provide options for all customer segments of the beer category, which are changing now more than ever.

The Craft Beer Room in Fredericton continues to be successful, focusing on both locally produced craft beer, and unique products from around the globe. Local craft beer (micro-brewed beer produced in the Maritime Provinces) continues its growth.

WINE
No Special Occasion Needed

In 2018-2019, ANBL continued to encourage customers to drink better wines, but more importantly focused on the customers fostering growth in the entry-level and mid-range price-points. The ever-popular Wine Bundle program continued to have success. As a result, bundle revenue for wine grew by $643,003 to $6,243,173.

ANBL's EXPÉRIENCE program continues to grow, and wow customers throughout the province. Now in its third year, the program offers over 30 new products each month, featured in over 20 stores across the province. The program is showcased by a new, people-first marketing campaign that was developed late in 2018-2019 in anticipation of the opening of ANBL's first speciality boutique, EXPÉRIENCE by ANBL.

Twenty-five grocery stores were added to the existing 41 in 2018-2019. ANBL continues to work on the portfolio to ensure it is relevant to the grocery customer and continues to work with suppliers and grocery vendors to grow the channel. The program generated $6.5 million in revenue over the fiscal year.

SPIRITS
Cocktails and More!

For over three years, ANBL has been building the cocktail culture in New Brunswick. This was no different in 2018-2019, and to cement that fact, ANBL added a spirits component to its speciality EXPÉRIENCE program. Like the wine program, a unique set of products are brought in and distributed to select stores throughout the province. Tied to a theme, these products range in price, and focus on popular styles, new producers, rare finds, and great mixing spirits. The program generated $218,140 since being launched in July 2018.

As part of the changes to the In-Store Merchandising Program, the spirits category was given tremendous promotional space within ANBL's store, and digital channels. Like the wine category, as the premium segment grows, the goal was to have classic products driving volume, while remaining relevant to customers, as do new listings hitting stores every week.

ANBL's two main spirits programs, "Stock up the Cottage" and "Bar-in-a-Box" both saw declines in 2018-2019, reminding us that this category is as dynamic as ever, and incredible success in the past does not predict the future. Changes will be looked at for 2019-2020 to ensure these large programs continue to be exciting as they represent over $2 million in annual revenue.

COOLERS/CIDERS
Continued Success

ANBL has been a leader nationally in this category since 2015-2016, and this fiscal year may have cemented that. Once again, efforts in this category lead the country when it came to growth and revenue per capita. By staying on top of trends and finding new ways to extend the category year-round, this segment continued to grow, while still enjoying tremendous success during the peak summer period. ANBL has developed a new decision matrix for deciding on the products to list in this category, as applications are now at an all-time high. ANBL listed 157 new coolers and ciders during the year to entice customers who always want the newest flavours and trends. In 2018-2019, cider joined wine in the grocery channel and now provides customers even more choice in those stores. In addition to the incremental growth from the addition of grocery sales, Cider continues to be one of the biggest growth factors in this category.

COMMITTED
TO NEW BRUNSWICK CRAFT BEVERAGE ALCOHOL

PARTNERSHIPS WITH LOCAL CRAFT ALCOHOL PRODUCERS

ANBL continues to value its partnership with a growing number of craft beverage alcohol producers in the province. Working with various government departments and representative members of the local industry, ANBL was pleased to participate in the *Provincial Craft Alcohol Innovation Lab*. The work of the lab resulted in an elevated understanding of each party's role and responsibilities in ensuring a thriving local craft alcohol sector in the Province. The work of the Lab has also provided a useful framework for continued dialogue between ANBL and local producers.

ANBL's support to the industry includes reduced mark-up structures in each of the production categories. ANBL actively engages with local producers on matters related to policy, pricing, distribution and access to channels.

LOCALLY PRODUCED CRAFT SPIRITS, WINE, CIDER AND BEER REPRESENT

679 SKUS
in ANBL's portfolio
and a total of

$17,752,296.21
in sales

NEW BRUNSWICK'S CRAFT INDUSTRY CONSISTS OF

52 BREWERS

2 CIDER PRODUCERS

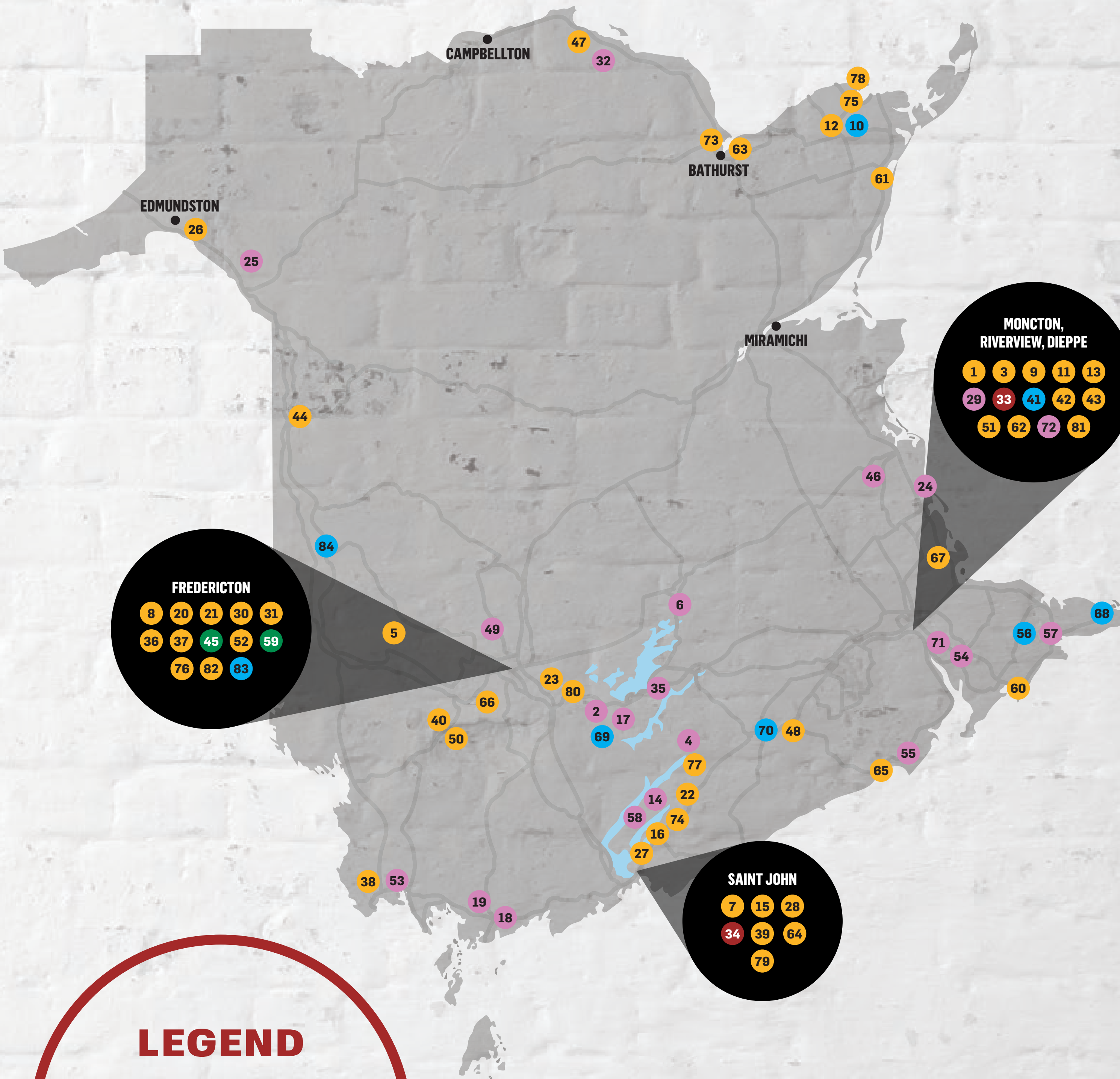
22 COTTAGE WINERIES

7 DISTILLERS

LIST OF PRODUCERS

- 73 13 Barrels Brewing
- 1 Acadie-Broue Inc.
- 60 Bagtown Brewing Company
- 3 Beckwith Road Brewing Company
- 5 Big Axe Brewery Inc.
- 7 Big Tide Brewing
- 8 Bogtrotter Craft Brewery
- 74 Bootstrap Brew Pub
- 9 Bore City Brewing
- 75 Brasserie Retro Brewing
- 61 Brasseux d'la Côte
- 13 Brule Brewing Company (Flying Boats)
- 62 Cavok Brewing
- 11 Celtic Knot
- 12 Distillerie Fils du Roy Inc.
- 15 First City Brewing
- 16 Foghorn Brewing Company
- 63 Four Rivers Brewing
- 64 Gahan House Port City
- 76 Gahan House Riverside
- 20 Graystone Brewing
- 21 Grimross Brewing Corp.
- 22 Hammond River
- 65 Holy Whale Brewing
- 23 Johnny Jacks
- 26 Les Brasseurs de Petit-Sault
- 27 Long Bay Brewing
- 28 Loyalist City Brewing Co.
- 30 Mama's Brew Pub
- 77 Matchstick Beer Factory
- 31 Maybee Brewing Company
- 78 Microbrasserie Houblon-Pecheur
- 79 Moosehead Small Batch
- 80 MorALE Brewsters
- 66 Niche Brewing
- 36 Northampton Brewing (Picaroons - Queen Street, Fredericton)
- 39 Northampton Brewing (Picaroons - Saint John)
- 38 Northampton Brewing (Picaroons - St. Stephen)
- 37 Northampton Brewing (Picaroons - Union Street, Fredericton)
- 81 O'Creek Brewing Company
- 40 Off Grid Ales
- 43 Pump House (Mill Street, Moncton)
- 42 Pump House (Orange Lane, Moncton)
- 44 Railcar Brewing Company
- 82 Rustico/King West Brewing
- 47 Savoie's Brewhouse
- 48 Sussex Ale Works
- 50 Think Brewing Co.
- 51 Tide & Boar
- 52 TrailWay Brewing
- 67 Valonray Farmhouse Brewery
- 33 Molson-Coors Brewing
- 34 Moosehead Breweries Limited
- 68 Blue Roof Distillers
- 83 Devil's Keep Distillery- Hanwell
- 10 Distillerie Fils du Roy Inc
- 69 Gagetown Food & Fermentation
- 84 Moonshine Creek Craft Distillery
- 41 Port Royal Distillers (Snow Fox)
- 70 Sussex Craft Distillery
- 56 Winegarden Estate Ltd. Distillery
- 45 Red Rover Craft Cider
- 59 York County Cider
- 2 Appleman Farms Ltd.
- 4 Belleisle Vineyards
- 6 Big Sky Ventures
- 14 Dunham's Run Estate Winery
- 17 Gagetown Fruit Farms
- 18 Gordon McKay & Sons 1996 Ltd.
- 19 Granite Town Farms
- 35 La Framboise Francoeur
- 71 Latitude 46 Estate Winery
- 24 Le Ferme Maury
- 29 Magnetic Hill Winery
- 32 Miel-N-Bee Honey
- 35 Motts Landing Vineyards
- 72 Pioneer Mountain Estates
- 46 Richibucto River Wine Estates
- 49 Sunset Heights Meadery
- 53 Tuddenham Farms
- 54 Verger Belliveau Orchard
- 55 Waterside Farms Cottage Winery
- 57 Winegarden Estate Ltd. Winery
- 58 Yip Cider

NB MANUFACTURERS
OF BEVERAGE ALCOHOL



LEGEND

- Small Brewery
- Distillery
- Large Brewery
- Cottage Winery
- Cider Agency Store

2018 – 2019
YEAR IN REVIEW

STRATEGIC
GOAL #5

BE RECOGNIZED AS A GOOD CORPORATE CITIZEN

COMMUNITY CORPORATE CITIZENSHIP

Daffodil Campaign-Canadian Cancer Society of New Brunswick

ANBL hosted a week-long daffodil pin sales campaign across the province March 25 –31, and raised $53,527.

United Way/Centraide

In addition to hosting a three-day prompt-at-cash in our retail stores, ANBL employees participated in the United Way National Day of Caring, contributed through payroll deductions and GNB campaign fundraisers. On behalf of ANBL employees and customers, ANBL donated over $37,332 in 2018-2019. This was part of a continued effort and dedication to supporting the United Ways of New Brunswick.

In tandem with the United Way prompt-at-cash campaign, ANBL also raised $7,194 during a prompt-at-cash campaign for the Centre Bénévolat de la Péninsule Acadienne.

Canadian Mental Health Association of New Brunswick

From August 9 – 11, ANBL held a prompt-at-cash campaign for the Canadian Mental Health Association of New Brunswick (CMHANB). $37,530 was donated by generous customers across NB, in support of this tremendous organization.

Canadian Red Cross – New Brunswick Chapter

From May 4 – 6, ANBL held a prompt-at-cash campaign in support of those impacted by flooding across New Brunswick. Due to the generosity of our customers, $47,706 was donated to the Canadian Red Cross - Atlantic Division.

ANBL Community Foundation

The ANBL Community Foundation, officially launched in April, holds a Community Foundation Quarterly Lottery Program. Through this program, ANBL donated $2,000 awards for each of the seven zones, each quarter. A total of $56,000 was donated through this program to assist local registered charitable organizations with their important work.

Protect Our Rivers

From August 20 – September 23, ANBL ran the annual Protect Our Rivers campaign. Thanks to suppliers, customers and team members, ANBL donated $69,432 to the Atlantic Salmon Conservation Foundation.

Festivals

The 13th annual **Atlantic Beer Festival** took place in Moncton on May 25 and 26. Over 3,000 people attended the festival and were able to sample beers from 50 breweries which included an array of different styles of brews.

FestiVin kicked off the Acadian peninsula tourism season in Caraquet on June 1 and 2. The on-site pop-up wine shop generated net sales of $28,421.12 (taxes and bottle deposit not included.)

Over 1000 people attended the 23rd annual **NB Spirit Festival** from November 15-17. For the second year, ANBL offered the chance to pre-buy at all seminars and dinners. The on-site festival Pop up Shop was open over the course of two days, generating net sales of $195,812.35 (taxes and bottle deposit not included). In total, the NB Spirit Festival hosted over 40 classes and seminars and helped educate guests on the wonderful world of whiskey.

The 27th annual **World Wine and Food Expo** hosted over 5,000 attendees during the November 2 and 3 shows in Moncton. Net Sales were $368,834 at the largest ANBL pop-up shop in the province. With four showcases to choose from, there is something for everyone.

ANBL was the proud sponsor of the VIP portion of the night at the **Saint John Red Cross Wine Festival** on February 23. After pouring several wines and educating guests, ANBL was on site to ensure everyone got home safely by proving a free taxi ride home courtesy of the social responsibility program.

At the 6th annual **Fredericton Craft Beer show**, beer aficionados gathered to enjoy two full days of beer tasting in the province's capital. Since it was founded, FCBF has grown exponentially and has hosted sold-out events that have grown and evolved right along with the industry. ANBL was on site making sure everyone stayed hydrated and got home safe with a free taxi service.

At the annual **Saint John Beer Fest**, hundreds of people gathered for a jam-packed day of beer tasting. The festival also featured food pairings and visual art. As always, ANBL was on site handing out free water bottles as well as free taxi chits to ensure it was a memorable event for everyone!

CORPORATE SOCIAL RESPONSIBILITY

MADD Canada

MADD Canada and its New Brunswick chapters continue to be a key partner in our social responsibility program. ANBL believes that by educating middle school students on responsible consumption of alcohol they will carry the information into adulthood. ANBL sponsors 56 presentations to Primary and Junior High students around New Brunswick which brings a high-energy drug and alcohol awareness and risk reduction messaging to the world of education. ANBL also provided MADD Canada with the following in their fundraising efforts:

School Assembly Program
$56,000

Prompt-at-Cash and Coin Box Program
$26,566

New Brunswick High School Safe Grad Video Contest

ANBL offered a Safe Grad initiative to all New Brunswick high schools. Sanctioned by the Department of Education, high school students were engaged to help deliver the message about making responsible choices when it comes to beverage alcohol. Students created videos and submitted them for evaluation. A total of $7000 was equally distributed and awarded to 7 graduating classes in New Brunswick.

Keep It Social University Program

Keep It Social is a branded social responsibility platform developed and delivered by students. The program's goal is a long-term, collaborative strategy aimed at promoting responsible alcohol consumption and harm reduction among university and college students. The program began as a partnership between the Nova Scotia Liquor Corporation and Nova Scotia Universities. The program has since expanded to universities across Atlantic Canada through local liquor jurisdictions. Keep It Social is a platform to demonstrate normalized versus at-risk drinking behaviour. Scenarios and collateral are relatable to and approved by students. ANBL used this program with the University of New Brunswick, via Varsity Athletics, and Mount Allison University for the 2018-2019 school year.

Check 30

In the 2018-2019 fiscal year, ANBL served a total of 8,506,778 customers and 860,719 were asked for ID because they looked under the age of 30. Service was refused to 13,046 because they did not have ID. The challenges rose from 10.0% (of total transactions challenged) to 10.12%. Collateral for all ANBL Corporate, Agency, and Grocery Stores is currently being updated.

Free ANBL Safe Ride Program

In an effort to eliminate impaired driving, ANBL sponsored transportation at 15 major events held throughout the province:

- **Atlantic Beer Festival** - Moncton
- **FestiVin** - Caraquet
- **Shediac Lobster Festival** - Shediac
- **Ocean Festive** - Shediac
- **Frichti Festival** - Moncton
- **Area506 Festival** - Saint John
- **OktoberFest des Acadiens** - Bertrand
- **OktoberFest** - Moncton
- **Harvest Jazz and Blues Festival** - Fredericton
- **World Wine and Food Expo** - Moncton
- **NB Spirits Festival** - Fredericton
- **Saint John Red Cross Wine Festival** - Saint John
- **World Pond Hockey Championship** - Plaster Rock
- **Saint John Beer Festival** - Saint John
- **Fredericton Craft Beer Festival** - Fredericton

A partnership was also created with Festival organizers and promoted social responsibility by marketing in prime locations to influence attendees and impact safe choices with the consumption of beverage alcohol and encouraging them to use the Free ANBL Safe Ride.

The Water Bar: Free water by ANBL

In November 2016, ANBL introduced the Water Bar concept. As a major sponsor at various festivals, it was observed that not enough water was available to patrons, and that there was usually a cost to purchase water. The Water Bar was able to keep festival patrons well hydrated by providing water free of charge. It was so well received that in the 2017-2018 fiscal year, ANBL decided to make this a permanent program.

For the 2018 – 2019 fiscal year, ANBL was a major sponsor at the following festivals and provided free water:

- **Atlantic Beer Festival** - Moncton
- **FestiVin** - Caraquet
- **Shediac Lobster Festival** - Shediac
- **Ocean Festive** - Shediac
- **Area506 Festival** - Saint John
- **Harvest Jazz and Blues Festival** - Fredericton
- **World Wine and Food Expo** - Moncton
- **NB Spirits Festival** - Fredericton
- **Saint John Red Cross Wine Festival** - Saint John
- **Saint John Beer Festival** - Saint John
- **Fredericton Craft Beer Festival** - Fredericton

Water Bar
Highlights

Area506 Festival
6,600 bottles
given away

Harvest Jazz and Blues Festival
9,000 bottles
given away

GOVERNANCE

Board Of Directors Mandate Letter

The Government of New Brunswick's Mandate Letter continues to be a key component of 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.

Notices Of Motions – Legislative Assembly

There was one motion involving ANBL during the 2018-2019 fiscal year. Bill C-20 was used to amend the *New Brunswick Liquor Corporation Act*, thereby, granting the ability for ANBL to create the subsidiary of Cannabis NB. In doing such, Cannabis NB was legislated with ability to responsibly buy, distribute and sell cannabis and/or other such things deemed necessary, in the Province. The changes made to the New Brunswick Liquor Corporation Act came into effect on October 17, 2018.

Right To Information And Protection Of Privacy Act Requests

During the fiscal 2018-2019 year, there were nine requests received under the Right to Information and Protection of Privacy Act. Of these, seven requests were answered (or are ongoing), one request was withdrawn from the requestee (Opposition), and one request was a third-party notification from the Government of Nunavut, requesting to release info that they had regarding the purchase of alcohol from ANBL in 2016.

Official Languages

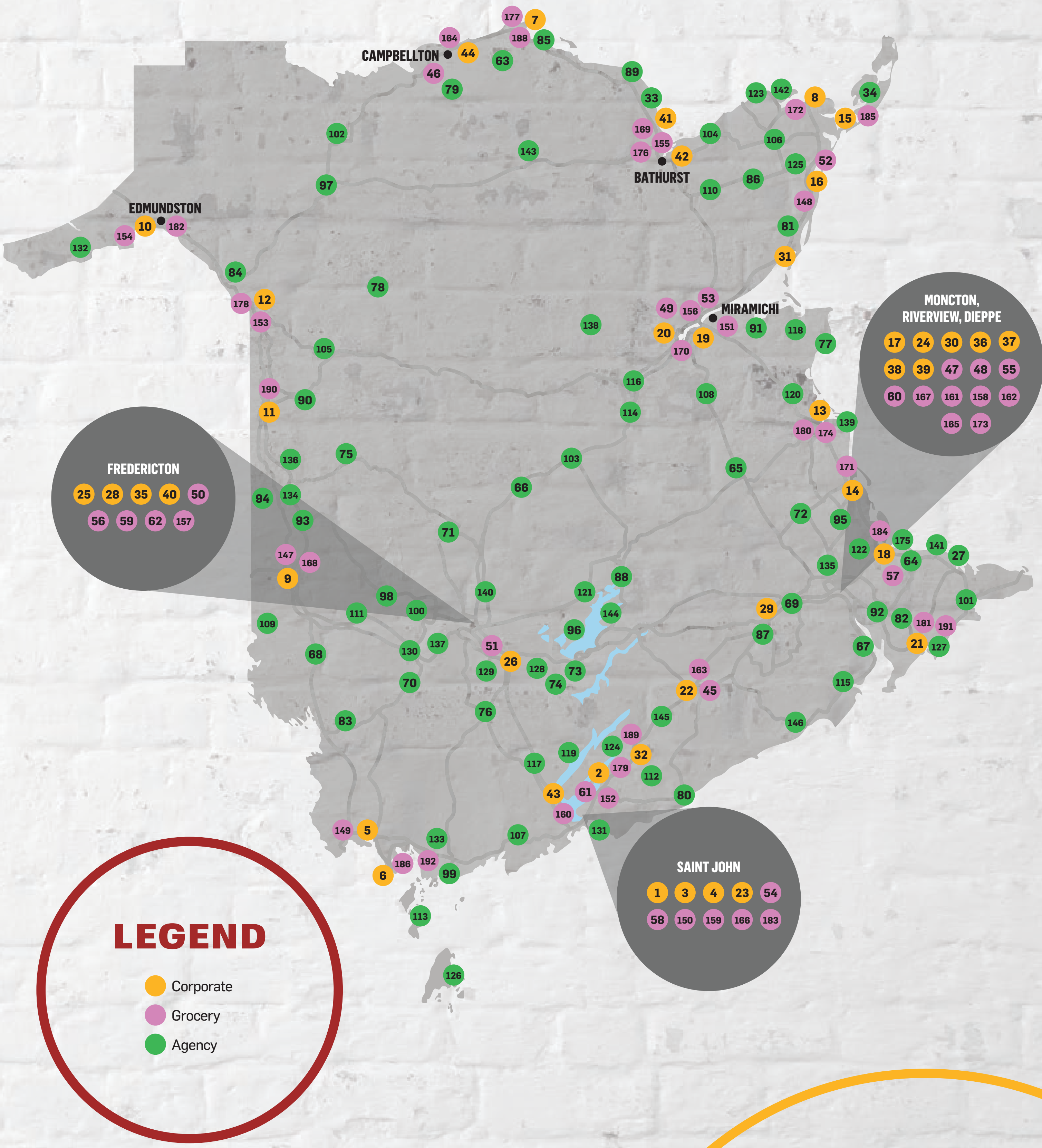
There were five language complaints received throughout the year. All complaints were duly investigated. ANBL worked in collaboration with the Office of the Commission of Official Languages to develop a working strategy to address the complaints and is implementing the recommendations.

Report on the Public Interest Disclosure Act

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the portion of the public service for which the Chief Executive Officer is responsible. ANBL received no disclosures of wrongdoing in the 2018-2019 fiscal year.

- 42 Bathurst
- 41 Beresford
- 14 Bouctouche
- 40 Brookside Mall, Fredericton
- 44 Campbellton
- 8 Caraquet
- 19 Chatham
- 7 Dalhousie
- 25 Devon Park, Fredericton
- 36 Dieppe Blvd., Dieppe
- 23 East Point, Saint John
- 10 Edmundston
- 38 Elmwood Dr., Moncton
- 1 Fairville Blvd., Saint John
- 43 Grand Bay-Westfield
- 12 Grand Falls
- 32 Hampton
- 2 Kennebecasis Valley
- 30 Moncton North
- 24 Mountain Rd., Moncton
- 31 Neguac
- 20 Newcastle
- 26 Oromocto
- 11 Perth-Andover
- 35 Corbett Centre, Fredericton
- 39 Regis St., Dieppe
- 13 Richibucto
- 37 Riverview
- 21 Sackville
- 29 Salisbury
- 18 Shediac
- 15 Shippagan
- 3 Somerset St., Saint John
- 6 St. Andrews
- 5 St. Stephen
- 22 Sussex
- 16 Tracadie-Sheila
- 17 Vaughan Harvey Blvd., Moncton
- 4 Wellington Row, Saint John
- 9 Woodstock
- 28 York St., Fredericton
- 46 Atlantic Superstore Atholville
- 155 Atlantic Superstore Bathurst
- 151 Atlantic Superstore Chatham
- 154 Atlantic Superstore Edmundston
- 153 Atlantic Superstore Grand Falls
- 152 Atlantic Superstore Kennebecasis
- 48 Atlantic Superstore Main St., Moncton
- 150 Atlantic Superstore Millidgeville, Saint John
- 49 Atlantic Superstore Miramichi
- 50 Atlantic Superstore Nashwaaksis, Fredericton
- 51 Atlantic Superstore Oromocto
- 47 Atlantic Superstore Riverview
- 54 Atlantic Superstore Rothesay Ave., Saint John
- 56 Atlantic Superstore Smythe St., Fredericton
- 149 Atlantic Superstore St. Stephen
- 45 Atlantic Superstore Sussex
- 148 Atlantic Superstore Tracadie
- 55 Atlantic Superstore Trinity Dr., Moncton
- 147 Atlantic Superstore Woodstock
- 170 Beaubear Co-Op - Miramichi
- 171 Co-Op IGA - Bouctouche
- 172 Co-Op IGA Extra - Caraquet
- 173 Co-Op IGA - Dieppe
- 174 Co-Op Tradition - Richibucto
- 175 Co-Op IGA - Shediac
- 176 Foodland - Bathurst
- 177 Foodland - Dalhousie
- 178 Foodland - Grand Falls
- 179 Foodland - Quispamsis
- 180 Foodland - Rexton
- 181 Foodland - Sackville
- 62 Fredericton Co-op
- 182 IGA Extra - Edmundston
- 183 No Frills - Saint John
- 184 No Frills - Shediac
- 185 Save Easy - Shippagan
- 186 Save Easy - St. Andrews
- 169 Sobeys Bathurst
- 157 Sobeys Brookside Mall, Fredericton
- 164 Sobeys Campbellton
- 53 Sobeys Douglastown
- 159 Sobeys East Point, Saint John
- 167 Sobeys Elmwood Dr., Moncton
- 160 Sobeys Grand Bay
- 58 Sobeys Lansdowne Ave., Saint John
- 156 Sobeys Miramichi
- 60 Sobeys Mountain Rd., Moncton
- 161 Sobeys Paul St., Dieppe
- 59 Sobeys Prospect St., Fredericton
- 158 Sobeys Regis St., Dieppe
- 162 Sobeys Riverview
- 61 Sobeys Rothesay
- 166 Sobeys Saint John West
- 57 Sobeys Shediac
- 163 Sobeys Sussex
- 165 Sobeys Vaughan Harvey Blvd., Moncton
- 168 Sobeys Woodstock
- 52 Tracadie Co-op
- 187 Your Independent Grocer - Beresford
- 188 Your Independent Grocer - Dalhousie
- 189 Your Independent Grocer - Hampton
- 190 Your Independent Grocer - Perth Andover
- 191 Your Independent Grocer - Sackville
- 192 Your Independent Grocer - St. George
- 110 Allardville
- 146 Alma
- 90 Arthurette
- 127 Aulac
- 118 Baie-Ste-Anne
- 63 Balmoral
- 112 Barnesville
- 136 Bath
- 91 Bay du Vin
- 89 Belledune
- 99 Blacks Harbour
- 114 Blackville
- 66 Boiestown
- 81 Brantville
- 128 Burton
- 73 Cambridge Narrows
- 113 Campobello
- 68 Canterbury
- 27 Cap-Pelé
- 94 Centerville
- 85 Charlo
- 88 Chipman
- 132 Clair
- 122 Cocagne
- 109 Debec
- 103 Doaktown
- 82 Dorchester
- 96 Douglas Harbour
- 134 Florenceville
- 76 Fredericton Junction
- 74 Gagetown
- 126 Grand Manan
- 141 Grand-Barachois
- 123 Grande-Anse
- 137 Hanwell
- 65 Harcourt
- 93 Hartland
- 70 Harvey
- 67 Hillsborough
- 135 Irishtown
- 104 Janeville
- 75 Juniper
- 102 Kedgwick
- 124 Kingston
- 34 Lamèque
- 107 Lepreau
- 131 Loch Lomond
- 100 Mactaquac
- 142 Maisonnette
- 83 McAdam
- 92 Memramcook
- 121 Minto
- 111 Nackawic
- 145 Norton
- 106 Paquetville
- 140 Penniac
- 87 Petitcodiac
- 33 Petit-Rocher
- 105 Plaster Rock
- 77 Pointe-Sapin
- 101 Port Elgin
- 130 Prince William
- 119 Public Landing
- 116 Renous
- 139 Richibucto-Village
- 78 Riley Brook
- 115 Riverside-Albert
- 108 Rogersville
- 95 Saint-Antoine
- 79 Saint-Arthur
- 125 Saint-Isidore
- 84 Saint-Léonard
- 120 Saint-Louis-de-Kent
- 72 Saint-Paul
- 97 Saint-Quentin
- 86 Saint-Sauveur
- 69 Salisbury
- 64 Shediac
- 143 South Tetagouche
- 133 St. George
- 80 St. Martins
- 71 Stanley
- 138 Sunny Corner
- 129 Waasis
- 117 Welsford
- 144 Youngs Cove
- 98 Zealand

STORE **LOCATIONS**



SALES BY LOCATION

TOTAL OF **86 AGENTS** IN 2017-2018

TOTAL OF **86 AGENTS** IN 2018-2019

	2018 - 2019 ($000'S)			2017 - 2018 ($000'S)
LOCATION	**PUBLIC**	**LICENSEE**	**TOTAL**	**TOTAL**
Bathurst (3)	$ 8,541	$ 1,240	$ 9,780	$ 10,130
Beresford (2)	3,919	224	4,143	4,124
Bouctouche (2)	2,846	192	3,038	3,132
Campbellton (2)	2,627	804	3,430	3,658
Cap Pele **	-	-	-	2,235
Caraquet (3)	4,175	701	4,876	4,941
Dalhousie (2)	1,748	161	1,909	1,955
Dieppe City				
Dieppe Blvd.	6,905	732	7,637	7,830
Regis St.	12,316	2,657	14,974	15,491
Total Dieppe Stores	19,222	3,389	22,611	23,320
Edmundston (1)	8,606	1,867	10,473	10,827
Fredericton City				
Brookside Mall (3)	7,830	1,650	9,480	10,258
Corbett Centre (1)	13,437	1,098	14,535	14,224
Devon Park (6)	8,571	643	9,214	10,027
York St. (2)	12,175	1,441	13,617	14,756
Total Fredericton Stores	42,013	4,832	46,846	49,264
Grand Bay-Westfield (2)	3,042	236	3,279	3,290
Grand Falls (3)	5,494	452	5,947	6,233
Hampton	4,012	120	4,133	4,243
Kennebecasis Valley (4)	13,138	777	13,915	13,685
Lameque**	-	-	-	1,083
Miramichi City				
Chatham (3)	5,223	543	5,767	5,438
Newcastle (3)	7,067	778	7,845	8,273
Total Miramichi Stores	12,290	1,321	13,611	13,711

	2018 - 2019 ($000'S)			2017 - 2018 ($000'S)
LOCATION	**PUBLIC**	**LICENSEE**	**TOTAL**	**TOTAL**
Moncton City				
Elmwood Drive (2)	$ 7,444	$ 653	$ 8,097	$ 8,603
Moncton North	10,094	1,303	11,397	11,826
Mountain Rd. (1)	7,869	1,915	9,784	10,962
Vaughan Harvey Blvd.	10,703	2,522	13,225	12,517
Total Moncton Stores	36,110	6,393	42,503	43,908
Neguac	2,358	264	2,622	2,585
Oromocto (5)	7,870	794	8,664	9,036
Perth Andover (4)	3,473	194	3,666	3,670
Petit-Rocher**	-	-	-	577
Richibucto (4)	4,349	429	4,778	4,744
Riverview (3)	8,548	1,679	10,226	10,268
Sackville (2)	5,268	507	5,775	6,058
Saint John City				
East Point Center (2)	11,705	1,252	12,957	13,376
Fairville Blvd. (3)	9,826	1,834	11,660	12,309
Somerset St.	7,388	1,365	8,753	9,142
Wellington Row	7,030	2,563	9,594	9,166
Total Saint John Stores	35,948	7,015	42,964	43,994
Salisbury	8,601	8	8,609	6,295
Shediac (4)	6,606	979	7,585	7,004
Shippagan (1)	2,860	445	3,306	3,173
St. Andrews	2,463	880	3,343	3,436
St. Stephen (2)	5,867	237	6,104	6,277
Sussex (3)	6,513	622	7,135	7,137
Tracadie (3)	5,353	617	5,970	5,917
Woodstock (6)	6,470	523	6,993	7,119
Warehouse *	106,677	8,076	114,753	101,639
TOTAL	**$ 387,005**	**$ 45,981**	**$ 432,986**	**$ 428,667**

(#) Indicates number of agents at this location *Includes web-based ordering for Licensees **closed during the year

AGENT SALES BY LOCATION

AGENCY LOCATION	ANBL LOCATION		2019 SALES ($000'S)		2018 SALES
Allardville	Bathurst	$	608	$	596
Alma	Riverview		515		487
Arthurette	Perth-Andover		422		417
Aulac	Sackville		2,784		2,434
Baie-Sainte-Anne	Chatham		836		863
Balmoral	Dalhousie		784		836
Barnesville	Kennebecasis Valley		559		568
Bath	Perth-Andover		967		979
Bay du Vin	Chatham		460		457
Belledune	Beresford***		688		628
Black's Harbour	Fairville Blvd., Saint John		761		813
Blackville	Newcastle		950		925
Boiestown	Devon Park, Fredericton		690		694
Brantville	Tracadie		1,374		1,332
Burton	Oromocto		965		920
Cambridge Narrows	Sussex		887		849
Campobello Island	St. Stephen		350		346
Canterbury	Woodstock		482		484
Cape Pele*	Shediac		2,706		769
Centreville	Woodstock		883		835
Charlo	Dalhousie		782		781
Chipman	Devon Park, Fredericton		1,215		1,213
Clair	Edmundston		521		529
Cocagne	Shediac		2,594		2,466
Debec	Woodstock		406		436
Doaktown	Devon Park, Fredericton		686		714
Dorchester**	Sackville		-		125
Douglas Harbour	Oromocto		469		512
Florenceville	Perth-Andover		1,867		1,819
Fredericton Junction	Oromocto		1,006		997
Gagetown	Oromocto		512		579
Grand Barachois	Shediac		1,381		1,393
Grand Manan	East Point, Saint John		1,823		1,812
Grande-Anse	Caraquet		891		872
Hanwell	Corbett Centre, Fredericton		4,257		4,060
Harcourt	Richibucto		600		618
Hartland	Woodstock		1,519		1,567
Harvey Station	Devon Park, Fredericton		1,272		1,234
Hillsborough	Riverview		1,114		1,207
Irishtown	Elmwood Dr., Moncton		1,718		1,692
Janeville	Bathurst		392		393
Juniper	Woodstock		272		308
Kedgwick	Campbellton		1,056		997
Kingston	Kennebecasis Valley		1,207		1,189
Lameque*	Shippagan		1,897		1,117
Lepreau	Fairville Blvd., Saint John		1,120		1,067
Loch Lomond	Kennebecasis Valley		3,628		3,521
Mactaquac	Brookside Mall, Fredericton		1,648		1,565
Maisonnette	Caraquet		408		403
McAdam	St. Stephen		569		559

***opened during the year ** closed in the previous year *new agent's customer service improvements

AGENCY LOCATION	ANBL LOCATION		2019 SALES ($000'S)		2018 SALES
Memramcook	Elmwood Drive, Moncton	$	2,109	$	2,030
Minto	Devon Park, Fredericton		1,661		1,684
Nackawic	Woodstock		1,459		1,399
Norton*	Sussex		2,333		2,054
Paquetville	Caraquet		1,864		1,906
Penniac***	Devon Park, Fredericton		1,027		837
Petit Rocher*	Beresford		2,164		1,735
Petitcodiac	Sussex		2,055		2,014
Plaster Rock	Perth-Andover		937		900
Pointe-Sapin	Richibucto		270		278
Port Elgin	Sackville		1,977		1,838
Prince William	York Street, Fredericton		1,407		1,312
Public Landing	Grand Bay		725		691
Renous	Newcastle		867		867
Richibucto Village	Richibucto		597		552
Riley Brook	Grand Falls		278		261
Riverside-Albert***	Riverview		380		223
Rogersville	Chatham		1,528		1,498
Saint-Arthur	Campbellton		224		238
Saint-Louis-de-Kent	Richibucto		1,465		1,500
Saint-Paul-de-Kent	Bouctouche		328		339
Saint-Sauveur	Tracadie		202		216
Salisbury	Mountain Road, Moncton		2,348		2,411
Shediac	Shediac		2,331		2,328
South Tetagouche	Bathurst		389		369
St. George	Fairville Blvd., Saint John		3,158		3,183
St. Isidore	Tracadie		807		829
St. Leonard	Grand Falls		1,238		1,065
St. Martins	East Point, Saint John		625		626
Stanley	Brookside Mall, Fredericton		851		887
St-Antoine	Bouctouche		1,761		1,631
St-Quentin	Grand Falls		1,706		1,662
Sunny Corner	Newcastle		1,200		1,134
Waasis	Oromocto		3,043		2,939
Welsford	Grand Bay		709		759
Youngs Cove	Kennebecasis Valley		832		799
Zealand	Brookside Mall, Fredericton		952		938
Manufacturer Agents	Head Office, Fredericton		706		437
TOTAL AGENT SALES		**$**	**104,013**	**$**	**98,347**

GROCERY

Fredericton Coop Ltd.	$	135	$	147
La Co-Op Regionale de la Baie Ltee		13		69
Loblaws Distribution Centre		3,902		3,458
Sobeys Distribution Centre		4,091		2,801
TOTAL GROCERY SALES	**$**	**8,142**	**$**	**6,475**

MANAGEMENT AND 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 judgements 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 or the financial statements and Annual Report, meets periodically with management, the Director of Strategic Compliance and Audit and the external auditors, concerning internal controls and all other matters relating to financial reporting.

KPMG, 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 AND CHIEF EXECUTIVE OFFICER	Lori Stickles VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of New Brunswick Liquor Corporation

Opinion

We have audited the financial statements of the New Brunswick Liquor Corporation (the Corporation), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations and comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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 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.

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 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.

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.

Auditors' 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 auditors' 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 the 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.

- 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 auditors' 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 auditors' 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.

- 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.

KPMG LLP

Chartered Professional Accountants
Fredericton, Canada
August 2, 2019

2018-2019
FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION (IN 000'S)

As at

	MARCH 31 2019	APRIL 1 2018
Assets		
Current Assets	$ 4 172	$ 3 543
Cash	7 813	7 298
Trade and other receivables	18 982	-
Due from Cannabis NB Ltd. (note 14)	34 970	36 603
Inventories	1 093	1 290
Prepaid expenses	67 030	48 734
Property and equipment (note 5)	13 460	12 438
Intangible assets (note 6)	4 809	6 066
	$ 85 299	$ 67 238
Liabilities		
Current Liabilities		
Trade and other payables	$ 21 865	$ 24 331
Beverage container redemptions	529	532
	22 394	24 863
Non-Current Liabilities		
Beverage container redemptions	-	529
Retiring allowances (note 7)	2 341	2 350
	24 735	27 742
Equity of the Province of New Brunswick		
Equity	60 564	39 496
	$ 85 299	$ 67 238

Commitments and Contingencies (notes 12 and 13)

See accompanying notes to the financial statements

APPROVED ON BEHALF OF THE BOARD:

Director Director

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (IN 000'S)

Year ended		MARCH 31 2019 (52 WEEKS)		APRIL 1 2018 (53 WEEKS)
Total sales (note 9)	$	432 986	$	428 667
Less: discounts		8 019		7 710
Net sales		424 967		420 957
Cost of sales		195 981		190 095
Gross profit		228 986		230 862
Other income		4 980		3 606
Operating expenses (note 10)		64 957		66 118
Net income and comprehensive income	**$**	**169 009**	**$**	**168 350**

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN EQUITY (IN 000'S)

Year ended		MARCH 31 2019 (52 WEEKS)		APRIL 1 2018 (53 WEEKS)
Balance at beginning of year	$	39 496	$	42 603
Net income and comprehensive income		169 009		168 350
Distributions to the Province of New Brunswick		(147 941)		(171 457)
Balance at end of the year	**$**	**60 564**	**$**	**39 496**

See accompanying notes to the financial statements

2018-2019
FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION (IN 000'S)

Year ended	MARCH 31 2019 (52 WEEKS)	APRIL 1 2018 (53 WEEKS)
Operating		
Net income and comprehensive income	$ 169 009	$ 168 350
Items not involving cash:		
Depreciation	2 097	2 271
Amortization of intangible assets	694	696
Loss (gain) on sale of property and equipment	79	(50)
Decrease in retiring allowances	(9)	(137)
Change in non-cash working capital (note 8)	(1 570)	6 125
Cash available from operations	170 300	177 255
Investing		
Advances to Cannabis NB Ltd.	(17 045)	-
Additions to property and equipment	(3 464)	(3 446)
Additions to intangible assets	(754)	(1 676)
Proceeds from sale of property and equipment	65	193
Net cash used for capital investments	(21 198)	(4 929)
Financing		
Decrease in beverage container redemptions	(532)	(532)
Distributions to the Province of New Brunswick	(147 941)	(171 457)
Net cash used for financing activities	(148 473)	(171 989)
Increase in cash	629	337
Cash at beginning of year	3 543	3 206
Cash at end of year	**$ 4 172**	**$ 3 543**

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS (000'S)

1. Nature of Operations and Reporting Entity

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 Standards. The immediate parent and ultimate controlling party is the Province of New Brunswick. 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.

These separate financial statements do not include the financial statements of the Corporation's investee, Cannabis NB Ltd. (CNB), which was incorporated under the Business Corporations Act on July 3, 2018. The investment has been recorded at cost.

2. Basis of Presentation.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain comparative figures have been reclassified to conform to the current year's presentation.

The financial statements for the year ended March 31, 2019 were approved and authorized for issue by the Board of Directors on July 17, 2019

Fiscal year

The Corporation's fiscal year ends on the Sunday closest to March 31. All references to 2019 and 2018 represent the fiscal years ended March 31, 2019 and April 1, 2018 respectively. Under an accounting convention common in the retail industry, the Corporation follows a 52-week reporting cycle, which periodically necessitates a fiscal year of 53 weeks. The year ended March 31, 2019 contained 52 weeks, whereas the year ended April 1, 2018 contained 53 weeks. Typically, the inclusion of an extra week occurs every fifth or sixth fiscal year due to the Corporation's floating year-end date. The next 53 week year will occur in fiscal 2022.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for post-employment benefits and financial instruments, which are measured as described below. These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

3. Summary of Significant Accounting Policies

Changes in Significant Accounting Policies

The Corporation has initially adopted *IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers* as of April 2, 2018. The Corporation implemented these standards by applying the requirements retrospectively with any cumulative effects of initial application recorded in opening equity as at April 2, 2018 with no restatement of comparative periods. Therefore, the comparative information has not been restated and continues to be reported under previous accounting policies.

IFRS 9 sets our requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS *39 Financial Instruments: Recognition and Measurement*. The requirements of IFRS 9 represent a significant change from IAS 39. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognized. This standard replaces IAS *18 Revenue*, IAS *11 Construction Contracts* and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgment.

No differences in the timing or amount of revenue recognized or in the carrying amounts of financial assets and financial liabilities resulted from the adoption of these standards. The Corporation's updated accounting policies resulting from the implementation of IFRS 9 and IFRS 15 are set out in the significant accounting policies described below.

3. Summary of Significant Accounting Policies (continued)

Use of estimates and judgements

The preparation of financial statements requires management to make certain judgements, estimations and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised, and any future years affected.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Corporation that have the most significant effect on the financial statements.

Consolidation

The Corporation uses judgement in determining whether CNB is controlled and therefore consolidated. The Corporation controls an entity when the Corporation has the power over the investee, has exposure, or rights, to variable returns from its involvement with the investee, and has the ability to direct the activities that significantly affect the entity's returns. Judgement is applied in determining whether the Corporation has exposure, or rights, to variable returns from its involvement with CNB. The Corporation owns 100% of the common shares of CNB, has direct control over the operational activities that significantly affect CNB's returns, however does not have direct benefit or exposure to variable returns, therefore under IFRS 10, is not required to consolidate.

Impairment of property and equipment and intangible assets

Judgement is used in determining the aggregate grouping of assets identified as Cash Generating Units (CGUs) for purposes of testing for impairment of property and equipment and intangibles. Judgement is required in determining the lowest level at which independent cash inflows are generated. The Corporation has defined CGUs as its retail stores. In addition, judgement is used to determine whether a triggering event has occurred requiring an impairment test to be conducted.

Capitalization of internally developed software

Judgement is required in distinguishing the research and development phases of a new customized software project and determining whether the recognition requirements for the capitalization of development costs are met. After capitalization, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalized costs may be impaired.

Significant estimations and assumptions

The following are areas where estimates and assumptions have the most significant effect on recognition and measurement of the assets, liabilities, income and expenses of the Corporation. Actual results may be substantially different.

Net realizable value of inventories

Estimates are required in the determination of the net realizable value of inventories, taking into account the most reliable evidence available at each reporting date. Future selling prices may be impacted by changes in the market and vendor rebates on costs.

Useful lives of property, equipment and intangibles

The Corporation is required to estimate the useful lives and depreciation method for property and equipment and intangible assets. Management determines the estimated useful lives based on historical experience and the expected pattern of consumption of the future economic benefits of the asset. 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.

Retiring allowances

The Corporation makes estimates in recording costs and liabilities associated with retiring allowances. These are

3. Summary of Significant Accounting Policies (continued)

Retiring allowances (continued)

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.

Cash

Cash includes cash and bank deposits.

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. The amount of inventory expensed during the year is shown as cost of sales on the statements of operations and comprehensive income.

Property and equipment

Property 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 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.

Derecognition

An item of property 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 statement of operations and comprehensive income in the year in which the item is derecognized.

Subsequent costs

The Corporation recognizes in the carrying amount of an item of property 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.

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 over their estimated useful lives after considering their estimated residual value using the following rates per annum:

Paving	10 years
Buildings	40 years
Furniture, fixtures and equipment	5 years
Automotive	4 years
Retail equipment	5 years
Refrigeration equipment	10 years

Leasehold improvements are depreciated on the straight-line basis over the lesser of the estimated useful life and the lease term. Property and equipment include 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 totaled $958 ($3 209 in 2018) of which $71 ($158 in 2018) is included in buildings, $382 ($878 in 2018) is included in leasehold improvements, $315 ($500 in 2018) is included in furniture, fixtures and equipment, $Nil ($39 in 2018) is included in automotive, $Nil ($191 in 2018) is included in retail equipment, $19 ($52 in 2018) is included in refrigeration equipment and $171 ($1 391 in 2018) is included in intangible assets.

3. Summary of Significant Accounting Policies (continued)

Property and equipment (continued)

Impairment

The carrying amounts of the Corporation's non-financial assets (property and equipment and intangible 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). When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

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 31, 2019 there were no indications of impairment.

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 31, 2019 there were no indicators of impairment. Computer software is amortized on a straight-line basis over 10 years.

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. All other leases are classified as operating leases.

Corporation as Lessee

Assets held under finance leases are initially recognized at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included on the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Corporation's accounting policy on borrowing costs. Finance leased assets are depreciated on a straight-line basis over the estimated useful life of the asset. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Lease Incentives

Lease incentives received to enter into operating leases are recognized as liabilities. The aggregate benefits of incentives are recognized as a reduction of rental expense on a straight-line basis over the term of the lease.

Financial instruments

Policy applicable from April 2, 2018

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument. A financial asset or financial liability is measured initially at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial instruments that are not classified as fair value through profit or loss.

Classification and measurement of financial assets

The classification and measurement approach for financial assets reflect the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other

3. Summary of Significant Accounting Policies (continued)

Classification and measurement of financial assets (continued)

comprehensive income ("FVOCI"), or fair value through profit and loss ("FVTPL").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTPL unless it is measured at amortized cost or at FVOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Corporation identifies changes in its business model in managing financial assets. The Corporation currently classifies its cash and trade and other receivables and due from Cannabis NB Ltd. as assets measured at amortized cost.

Financial liabilities are classified and measured based on two categories: amortized cost or FVTPL. The Corporation currently classifies trade and other payables and beverage container redemptions as financial liabilities measured at amortized cost.

Derecognition

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Corporation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets. The difference between the carrying amount of the financial asset and the sum of the consideration received and receivable is recognized in income.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in income.

Impairment of financial assets

The Corporation recognizes loss allowances for expected credit losses (ECL) on financial assets that are not measured at FVTPL:

The Corporation measures loss allowances at an amount equal to lifetime ECL, except for the following for which they are measured as 12-month ECL:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Measurement of ECL

ECL are a probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Corporation expects to receive); and

3. Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Measurement of ECL (continued)

- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

At each reporting date, the Corporation assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets.

Policy applicable prior to April 2, 2018

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.

Classification and subsequent measurement of financial assets

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

The Corporation's loans and receivables include cash and trade and other 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 does not hold any financial assets in the other categories.

Classification and subsequent measurement of financial liabilities

The Corporation's financial liabilities include trade and other payables and beverage container redemptions. These financial liabilities are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received/receivable and any cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

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.

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. The impairment loss on financial assets is based on a review of all outstanding amounts at period end. The carrying amount of the financial asset is reduced

3. Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

by the impairment loss directly for all financial assets, where the carrying amount is reduced using an allowance account.

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.

Post-employment benefits

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:

	March 31 2019	April 1 2018
Discount rate	3.1%	3.3%
Future salary increases	2.3%	2.3%
Retirement age	Varies depending on member's current age	

Pension plan

Employees of the Corporation are members of the New Brunswick Public Service Pension Plan (NBPSPP), a multi-employer, shared risk pension plan. 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 for defined contribution pension plans. Contributions made by the Corporation during the year totaled $2 974 ($2 842 in 2018).

Revenue

Policy applicable from April 2, 2018

Revenue is measured at the fair value of the consideration received or receivable. The Corporation recognizes revenue when it transfers control over a good to a customer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Corporation recognizes revenue at the time the point of sale is made or when goods are delivered to the customers.

Policy applicable prior to April 2, 2018

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

Sales to retail customers

Revenue is recognized at the point of sale to retail customers.

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.

3. Summary of Significant Accounting Policies (continued)

Vendor rebates

The Corporation records cash consideration received from vendors as a reduction to the cost of related inventory or, if the related inventory has been sold, to the cost of producing revenue.

4. Future accounting pronouncements that are not yet effective and have not been adopted early by the Corporation

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 31, 2019 and although early adoption is permitted, they have not been applied in preparing these financial statements.

IFRS 16 Leases

On January 13, 2016 the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS *15 Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 Leases.

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. It is expected that IFRS 16 will have a significant impact on the financial statements as the Corporation will recognize new assets and liabilities for its operating leases of buildings, premises and equipment. In addition, the nature and timing of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of use assets and interest expense on lease liabilities. On a go-forward basis, there will be a decrease in operating lease expense and an increase in depreciation and amortization and interest expense.

The Corporation intends to adopt this standard using the modified retrospective approach with the cumulative effects of initial application recorded in opening equity as at March 31, 2019 with no restatements of the comparative period. The Corporation continues to assess the impact of IFRS 16.

5. **Property and Equipment** (In 000's)

Cost	LAND	PAVING	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE, FIXTURES & EQUIPMENT	AUTOMOTIVE	RETAIL EQUIPMENT	REFRIGERATION EQUIPMENT	TOTAL
Balance at March 26, 2017	$ 98	$ 420	$ 10 961	$ 4 609	$ 22 197	$ 441	$ 1 379	$ 3 498	$ 43 603
Additions	-	-	540	1 271	1 072	94	191	278	3 446
Disposals	-	26	425	9	258	103	-	72	893
Balance at April 1, 2018	$ 98	$ 394	$ 11 076	$ 5 871	$ 23 011	$ 432	$ 1 570	$ 3 704	$ 46 156
Balance at April 1, 2018	$ 98	$ 394	$ 11 076	$ 5 871	$ 23 011	$ 432	$ 1 570	$ 3 704	$ 46,156
Additions	-	81	752	964	1 491	51	-	125	3,464
Disposals	75	25	450	231	334	44	191	112	1,462
Balance at March 31, 2019	$ 23	$ 450	$ 11 378	$ 6 604	$ 24 168	$ 439	$ 1 379	$ 3 717	$ 48,158
Accumulated Depreciation									
Balance at March 26, 2017	$ -	$ 402	$ 6 647	$ 3 129	$ 18 133	$ 281	$ 1 310	$ 2 295	$ 32 197
Depreciation	-	6	177	202	1 582	76	21	207	2 271
Disposals	-	26	296	9	258	89	-	72	750
Balance at April 1, 2018	$ -	$ 382	$ 6 528	$ 3 322	$ 19 457	$ 268	$ 1 331	$ 2 430	$ 33 718
Balance at April 1, 2018	$ -	$ 382	$ 6 528	$ 3 322	$ 19 457	$ 268	$ 1 331	$ 2 430	$ 33 718
Depreciation	-	9	176	247	1 354	75	17	219	2 097
Disposals	-	25	381	232	333	34	-	112	1 117
Balance at March 31, 2019	$ -	$ 366	$ 6 323	$ 3 337	$ 20 478	$ 309	$ 1 348	$ 2 537	$ 34 698
Carrying Amounts									
At April 1, 2018	$ 98	$ 12	$ 4 548	$ 2 549	$ 3 554	$ 164	$ 239	$ 1 274	$ 12 438
At March 31, 2019	$ 23	$ 84	$ 5 055	$ 3 267	$ 3 690	$ 130	$ 31	$ 1 180	$ 13 460

FINANCIAL STATEMENTS (000'S)

6. Intangible Assets

Software

	MARCH 31 2019	APRIL 1 2018
Cost		
Opening	$ 12 003	$ 10 327
Additions	754	1 676
Disposals	(1 317)	-
Closing	11 440	12 003
Accumulated Amortization		
Opening	5 937	5 241
Amortization	694	696
Closing	6 631	5 937
Carrying Amount	$ 4 809	$ 6 066

7. Post-employment Benefit

Retiring Allowances

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, 2019.

Information relating to the plan is as follows:

Reconciliation of defined benefit obligation	MARCH 31 2019	APRIL 1 2018
Opening balance	$ 2 350	$ 2 487
Employer current service cost	134	135
Interest cost	75	74
Benefit payments	(443)	(293)
Actuarial loss (gain) due to changes in financial assumptions	225	(53)
Closing balance	$ 2 341	$ 2 350

8. Changes in Non-Cash Operating Working Capital

	MARCH 31 2019	APRIL 1 2018
Trade and other receivables	$ (515)	$ 6 475
Inventories	1 633	(2 665)
Prepaid expenses	(222)	(390)
Trade and other payables	(2 466)	2 705
	$ (1 570)	$ 6 125

Significant non-cash transactions include the transfer of property and equipment in the amount of $201, other assets in the amount of $419 and intangibles in the amount of $1 317 (Note 14).

9. Sales

	MARCH 31 2019 (52 WEEKS)	APRIL 1 2018 (53 WEEKS)
Spirits	$ 102 298	$ 100 755
Wine	99 047	99 047
Coolers & ciders	32 242	28 946
Non Liquor	479	412
Beer	198 920	199 507
	$ 432 986	$ 428 667

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10. Operating Expenses

	MARCH 31 2019 (52 WEEKS)	APRIL 1 2018 (53 WEEKS)
Salaries - stores	$ 19 486	$ 20 172
Rent	8 959	8 878
Employee benefits	7 346	7 961
Salaries - administration	6 560	6 721
Beverage container redemption costs	3 895	3 448
Bank charges and fees	2 852	2 736
Depreciation	2 097	2 271
Electricity, heating, fuel, telecommunications	1 810	1 983
Professional fees	1 666	1 182
Advertising and publications	1 162	1 501
Salaries - warehouse	1 110	1 107
Information systems	1 058	1 033
Other	962	936
System maintenance	904	257
Shortages	805	783
Supplies and minor equipment	798	928
Repairs and maintenance	772	700
Amortization of intangible assets	694	696
Travel	521	455
Property taxes	286	300
Salaries - maintenance	281	403
Training and development	256	293
Sales incentive plan payments	252	956
Security	160	187
Tastings	148	123
Insurance	117	108
	$ 64 957	$ 66 118

11. Financial Risk Management Objectives and Policies

Liquidity risk

Liquidity risk is the risk the Corporation will be unable to meet its financial obligations as they become due. The Corporation manages this risk through monitoring of future cash flows to ensure that they will have sufficient cash from operations to meeting these obligations. All financial liabilities are due within one year.

Foreign currency risk

In preparing the financial statements, transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the date of the transaction. The Corporation is exposed to foreign currency risk on purchases that are denominated in a currency other than the Canadian dollar. Currencies giving rise to this risk are primarily the U.S. and Euro dollars. Management has mitigated this risk by limiting the number of purchase transactions originating in foreign currency.

Credit risk

Credit risk is the risk the Corporation will incur a loss because a customer fails to meet an obligation. The Corporation's exposure is related to the value of trade and other receivables. The Corporation has mitigated the exposure to this risk through limited extension of credit and contractual relationships with business partners. As at March 31, 2019 there are no significant financial receivables greater than 30 days, and no customer accounts amount to more than 10% of total receivables.

Capital Management

The Corporation does not have share capital or long term debt. Its definition of capital is cash and equity. The Corporation's main objectives for managing capital is to ensure sufficient liquidity in support of its financial obligations and to maximize returns to the Province of New Brunswick.

12. Commitments

The Corporation leases buildings, premises and equipment under operating leases which expire at various dates between 2020 and 2038. 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 31, 2019, initial lease terms in excess of one year.

Due within one year or less	$ 8 416
Between one and five years	28 579
More than five years	33 865
	$ 70 860

13. 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.

14. Related Party Transactions

The ultimate controlling party of the Corporation is the Province of New Brunswick. Remittances to the Province are disclosed in the Statements of Changes in Equity. The Corporation is related through common ownership with all provincial departments, agencies and Crown Corporations. Transactions with these entities occur in the normal course of business and are recorded at the exchange amount unless disclosed in these financial statements. Transactions with the Province of New Brunswick are deemed to be collectively insignificant to these financial statements.

14. Related Party Transactions (continued)

The Corporation provides services to CNB, which are allocated through a Shared Service Allocation Methodology. These services include human capital in the areas of executive management; corporate governance; property management; information technology services; strategic compliance; financial services; people and culture; community and engagement; and customer strategy and engagement, as well as the associated portion of benefits. In addition, the Corporation allocates occupancy costs to CNB for a share of space for CNB's employees. These transactions are recorded on a cost recovery basis and are recognized as a reduction to salaries-administration, employee benefits and rent expenses. During the year ended March 31, 2019 the Corporation charged CNB $1 691 (comprised of $1 514 for salaries-administration and $177 in rent for occupancy costs). In addition, the Corporation charged CNB $1 760 in fees (recognized in other income) for initial startup work prior to July 3, 2018 and transferred property, plant and equipment ($201), other assets ($419) and intangibles ($1 317) at cost.

During the year, the Corporation also provided funds to CNB to fund its startup and operations. At March 31, 2019, CNB owed the Corporation $18 982. Trade and other receivables include $523 which represents the current portion of the shared service allocation as described above. The total amount outstanding is non-interest bearing, unsecured, with no set term of repayment. The amount owing to ANBL from CNB is considered a current receivable and repayment is guaranteed under the terms of an agreement between CNB and Cannabis Management Corporation.

These transactions are recorded at the amount of consideration as established and agreed to by the related parties.

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 $1 009 ($946 in 2018).