

NEWFOUNDLAND HARDWOODS LIMITED

Financial Statements

Year Ended March 31, 2023

NEWFOUNDLAND HARDWOODS LIMITED
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Year Ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Newfoundland Hardwoods Limited

Opinion

I have audited the financial statements of Newfoundland Hardwoods Limited (the Organization), which comprise the balance sheet as at March 31, 2023, and the statements of loss, retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 PSAS, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(continues)

Independent Auditor's Report to the Directors of Newfoundland Hardwoods Limited (*continued*)

- 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 my 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 Organization'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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.

Clarenville, Newfoundland and Labrador
September 15, 2023


Chartered Professional Accountant



NEWFOUNDLAND HARDWOODS LIMITED

Balance Sheet

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 56,483	\$ 59,608
LIABILITIES AND DIRECTORS' EQUITY		
CURRENT		
Accounts payable	\$ 1,500	\$ 1,500
CONTINGENT LOSSES (Note 3)	-	-
COMMITMENTS (Note 4)	-	-
	<u>1,500</u>	<u>1,500</u>
DIRECTORS' EQUITY		
Share capital		
Authorized:		
An unlimited number of common shares at no par value		
Issued:		
253 common shares at stated value	<u>25,300</u>	<u>25,300</u>
	<u>25,300</u>	<u>25,300</u>
Retained earnings	<u>29,683</u>	<u>32,808</u>
	<u>54,983</u>	<u>58,108</u>
	\$ 56,483	\$ 59,608

ON BEHALF OF THE BOARD

 Director
 Director

NEWFOUNDLAND HARDWOODS LIMITED**Statement of Loss****Year Ended March 31, 2023**

	2023	2022
REVENUES	\$ -	\$ -
ADMINISTRATIVE EXPENSES		
Bank charges	60	60
Licences and fees	440	-
Professional fees	2,625	2,100
	3,125	2,160
NET LOSS	\$ (3,125)	\$ (2,160)

See notes to the financial statements

NEWFOUNDLAND HARDWOODS LIMITED
Statement of Retained Earnings
Year Ended March 31, 2023

	2023	2022
RETAINED EARNINGS - BEGINNING OF YEAR	\$ 32,808	\$ 34,968
NET LOSS	<u>(3,125)</u>	<u>(2,160)</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 29,683</u>	<u>\$ 32,808</u>

See notes to the financial statements

NEWFOUNDLAND HARDWOODS LIMITED
Statement of Cash Flows
Year Ended March 31, 2023

	<i>March 31</i> 2023	<i>March 31</i> 2022
OPERATING ACTIVITIES		
Net loss	\$ (3,125)	\$ (2,160)
Change in non-cash working capital:		
Accounts payable	-	(2,444)
DECREASE IN CASH FLOW	(3,125)	(4,604)
Cash - beginning of year	59,608	64,212
CASH - END OF YEAR	\$ 56,483	\$ 59,608

See notes to the financial statements

NEWFOUNDLAND HARDWOODS LIMITED
Notes to Financial Statements
Year Ended March 31, 2023

1. NATURE OF OPERATIONS

NEWFOUNDLAND HARDWOODS LIMITED is a Crown Corporation established in 1950 under the Corporations Act. Initially the Corporation was established for the purpose of manufacturing liquid asphalt and the sale of chemically treated poles and timber. The Corporation sold its property, equipment and inventory in 1996 and ceased active operations at that date. Since 1996 the Corporation has been dealing with any and all matters that may arise subsequent to the sale.

NEWFOUNDLAND HARDWOODS LIMITED is classified as a category three entity under the Transparency and Accounting Act.

NEWFOUNDLAND HARDWOODS LIMITED is exempt from income taxes under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

These financial statements are prepared by Management in accordance with Canadian Public Sector Accounting Standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

3. CONTINGENT LOSSES

Environmental concerns:

The Government of Newfoundland and Labrador, through an environmental indemnity, has released the current owner of any and all present and future liabilities which may result from the presence, release, loss, discharge, leakage or spillage of hazardous material on, at or from the properties formerly owned and operated by NEWFOUNDLAND HARDWOODS LIMITED up to the date of the said agreements.

4. COMMITMENTS

The company had committed to the dismantling and removal of five surplus storage tanks from the present location. As of the balance sheet date, four of these tanks have been removed and the costs of such have been reflected in these financial statements.
