

2001-02 Annual Reports

**Reports of external boards, corporations
and agencies that report to the
Minister of Industry,
Trade and Rural Development**

**Enterprise Newfoundland and
Labrador Corporation**

Farm Development Loan Board

Fisheries Loan Board

**Newfoundland Ocean
Enterprises Limited**

Newfoundland Hardwoods Ltd.



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

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Section 1: Enterprise Newfoundland and Labrador Corporation

Introduction

The Enterprise Newfoundland and Labrador Corporation was established in 1990 under the authority of the Enterprise Newfoundland and Labrador Corporation Act. The Corporation operated as an arms-length Crown agency with an independent board of directors in 2001-02, reporting to the Minister of Industry, Trade and Rural Development. On April 1, 2002, the Enterprise Newfoundland and Labrador Corporation was dissolved and its mandate was assumed by the newly established Business Investment Corporation.

The board of directors of the Corporation was comprised of private and public sector members. The private sector representatives in 2001-02 were:

- Mr. Doug Sheppard, Chairman;
- Mr. Gilbert Gill;
- Ms. Joan Pinsent;
- Mr. Geoffrey Peters; and
- Ms. Bernadette Dwyer.

Representatives of the public sector in 2001-02 were:

- Deputy Minister of Industry, Trade and Rural Development; and
- Deputy Minister of Finance.

Administrative support to the Corporation was provided directly by the Department of Industry, Trade and Rural Development (i.e. the Corporation did not have its own dedicated staff).

Mandate

In 2001-02, the Enterprise Newfoundland and Labrador Corporation was responsible for the following activities:

1. The administration of the Strategic Enterprise Development Fund, a small business investment fund that is comprised of two programs:
 - Small Business Seed Capital Equity Program; and
 - Small Business and Market Development Program.
2. The administration of a \$1.5 million Aquaculture Working Capital Fund that was established in 1998 through two federal-provincial economic development co-operation agreements.

3. The ongoing management and recovery of business investments made by the Corporation and its predecessor organizations.

Activities

- The Corporation invested approximately \$1.5 million in 2001-02 through the Small Business Seed Capital Equity Program in 38 small businesses, leveraging \$7.4 million in additional financing to help start or grow new small businesses.
- The Corporation invested \$612,690 in 2001-02 through the Small Business Market and Development Program in 53 small businesses, leveraging an additional \$1.6 million in business financing to help entrepreneurs and small businesses pursue new business ideas and new markets for their products and services.
- The Corporation invested \$288,007 in 2001-02 through the Aquaculture Working Capital Fund in five aquaculture enterprises, leveraging an additional \$529,590 in business financing to help expand mussel and other shellfish aquaculture operations in the province.
- The Corporation managed a business investment portfolio comprised of 942 accounts in 2001-02 having an outstanding balance of \$89 million as of March 31, 2002. The portfolio generated a cash return of \$3.7 million to the provincial treasury in 2001-02 from loan repayments and other redemptions from the investee companies.

Financial Statements

The audited financial statements for the Enterprise Newfoundland and Labrador Corporation were tabled previously in the House of Assembly in Volume IV of the *Public Accounts for the Year Ended March 31, 2002*.

Section 2: Farm Development Loan Board

Introduction

The Farm Development Loan Board was established in 1953 under the authority of the Farm Development Loan Act. The Board operated as an arms-length, independent Crown agency in 2001-02, reporting to the Minister of Industry, Trade and Rural Development. On April 1, 2002, the Farm Development Loan Board was dissolved and its mandate was assumed by the newly established Business Investment Corporation.

The Board was comprised of private and public sector members. The private sector representatives in 2001-02 were:

- Mr. Doug Sheppard, Chairman;
- Mr. Gilbert Gill;
- Ms. Joan Pinsent;
- Mr. Geoffrey Peters; and
- Ms. Bernadette Dwyer.

Representatives of the public sector in 2001-02 were:

- Deputy Minister of Industry, Trade and Rural Development; and
- Deputy Minister of Finance.

Administrative support to the Board was provided directly by the Department of Industry, Trade and Rural Development (i.e. the Board did not have its own dedicated staff).

Mandate

In 2001-02, the Farm Development Loan Board was responsible for the ongoing management and recovery of farm business loans made by the Board prior to its administrative amalgamation with the Enterprise Newfoundland and Labrador Corporation in 1996.

Activities

The Board managed a farm business loan portfolio comprised of 330 accounts in 2001-02 having an outstanding balance of \$6.6 million at March 31, 2002. The portfolio generated a cash return of \$576,800 to the provincial treasury in 2001-02 from loan repayments and other redemptions from the investee companies.

Financial Statements

The audited financial statements for the Farm Development Loan Board were tabled previously in the House of Assembly in Volume IV of the *Public Accounts for the Year Ending March 31, 2002*.

Section 3: Fisheries Loan Board

Introduction

The Fisheries Loan Board was established in 1949 under the authority of the Fisheries Loan Act. The Board operated as an arms-length, independent Crown agency in 2001-02, reporting to the Minister of Industry, Trade and Rural Development. On April 1, 2002, the Fisheries Loan Board was dissolved and its mandate was assumed by the newly established Business Investment Corporation.

The Board was comprised of both private and public sector members. The private sector representatives in 2001-02 were:

- Mr. Doug Sheppard;
- Mr. Gilbert Gill;
- Ms. Joan Pinsent;
- Mr. Geoffrey Peters; and
- Ms. Bernadette Dwyer.

Representatives of the public sector in 2001-02 were:

- Deputy Minister of Industry, Trade and Rural Development; and
- Deputy Minister of Finance.

Administrative support to the Board was provided directly by the Department of Industry, Trade and Rural Development (i.e. the Board did not have its own dedicated staff).

Mandate

In 2001-02, the Fisheries Loan Board was responsible for the administration of the Fisheries Loan Guarantee Program (under authority of the Department of Finance's Loan and Guarantee Act) and for the ongoing management and recovery of fish harvesting business loans made by the Board prior to its administrative amalgamation with the Enterprise Newfoundland and Labrador Corporation in 1996.

Activities

- The Board approved \$13.6 million in new fisheries loan guarantees in 2001-02 through the chartered banks to 26 fish harvesting enterprises for the purchase of new fishing vessels or the purchase and/or renovation of used vessels.
- The Board managed a fisheries loan guarantee portfolio comprised of 135 accounts in 2001-02 having an outstanding value of \$31.2 million at March 31, 2002.

- The Board managed a fish harvesting business loan portfolio comprised of more than 1,400 accounts in 2001-02 having an outstanding balance of \$20.4 million at March 31, 2002. The portfolio generated a cash return of \$2.2 million to the provincial treasury in 2001-02 from loan repayments and other redemptions from the investee enterprises.

Financial Statements

The audited financial statements for the Fisheries Loan Board were tabled previously in the House of Assembly in Volume IV of the *Public Accounts for the Year Ending March 31, 2002*.

Section 4: Newfoundland Ocean Enterprises Limited

Introduction

Newfoundland Ocean Enterprises Limited was established in 1988 under the Corporations Act as the parent corporation of Marystown Shipyard Limited (a Crown corporation established in 1966 as a commercial shipbuilding/repair facility) and Vinland Industries Limited (a Crown corporation established in 1986 as a commercial offshore oil and gas fabrication and servicing facility). Newfoundland Ocean Enterprises Limited operates as an arms-length Crown corporation with an independent board of directors reporting to the Minister of Industry, Trade and Rural Development.

The Board of Directors consists of four public sector representatives:

- Deputy Minister of Industry, Trade and Rural Development, Chairman;
- Deputy Minister of Finance;
- Secretary of Treasury Board; and
- Assistant Deputy Minister, Department of Industry, Trade and Rural Development.

Administrative support to the corporation is provided directly by the Department of Industry, Trade and Rural Development (i.e. the corporation does not have its own dedicated staff).

Mandate

Newfoundland Ocean Enterprises Limited ceased commercial operations in 1998 upon the privatization of its business assets to Friede Goldman Newfoundland Limited. It presently functions as a holding company for various residual legal and environmental liabilities associated with the business up to the time of its divestiture in 1998.

Activities

In 2001-02, Newfoundland Ocean Enterprises Limited undertook environmental remediation work at the Marystown shipyard site, including the remediation of asbestos and lead paint contamination in various buildings, at a total cost of \$4,174,930. These expenditures were financed through a bank line of credit guaranteed by the Department of Finance.

Financial Statements

The audited financial statements for Newfoundland Ocean Enterprises Limited were tabled previously in the House of Assembly in Volume IV of the *Public Accounts for the Year Ending March 31, 2002*.

Section 5: Newfoundland Hardwoods Limited

Introduction

Newfoundland Hardwoods Limited was established as a Crown corporation in 1950 under the Corporations Act as a commercial asphalt manufacturing and pole and timber wood preservation business to supply the needs of provincial customers.

Newfoundland Hardwoods Limited operates as an arms-length Crown corporation with an independent board of directors reporting to the Minister of Industry, Trade and Rural Development.

The Board of Directors consists of four public sector representatives:

- Deputy Minister of Industry, Trade and Rural Development, Chairman;
- Assistant Deputy Minister, Department of Industry, Trade and Rural Development;
- Director, Business Analysis Division, Department of Industry, Trade and Rural Development; and
- Director, Design and Construction Division, Department of Works, Services and Transportation.

Administrative support to the corporation is provided directly by the Department of Industry, Trade and Rural Development (i.e. the corporation does not have its own dedicated staff).

Mandate

Newfoundland Hardwoods Limited ceased commercial operations in 1995 upon the privatization of its business assets to Irving Oil Limited (in respect of the asphalt operation) and to Wood Preservation Industries Limited (in respect of the pole and timber operation). It presently functions as a holding company for various residual environmental liabilities associated with the business up to the time of its divestiture in 1995.

Activities

In 2001-02, Newfoundland Hardwoods Limited continued to monitor its remaining environmental liabilities on site. All outstanding liabilities have now been addressed, with the exception of the decommissioning of one surplus storage tank on site.

Financial Statements

The audited financial statements for Newfoundland Hardwoods Limited were tabled previously in the House of Assembly in Volume IV of the *Public Accounts for the Year Ending March 31, 2002*.