

ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

AND ITS WHOLLY OWNED SUBSIDIARIES, ATLANTIC SUGAR
REFINERIES LIMITED AND ATLANTIC-ACADIA
SUGAR SALES COMPANY LIMITED

To the Shareholders of Acadia-Atlantic Sugar Refineries Limited:

Your Directors submit herewith the Consolidated Balance Sheet and Consolidated Statement of Income and Expenditure and Earned Surplus of your Company and its subsidiaries, Atlantic Sugar Refineries Limited and Atlantic-Acadia Sugar Sales Company Limited, for the year ended 31st December, 1951.

The net profit for the year, after providing for interest in the amount of \$130,062.50 on the Company's funded debt, depreciation on the Company's plants of \$215,578.61 and Dominion and Provincial taxes in the amount of \$710,120.33, amounted to \$678,066.68.

Wide fluctuations in the price of raw sugar on world markets and retrenchment on the part of manufacturers and consumers have made the year 1951 a trying one. The rate of production has had to fluctuate with the variable demand which has affected the cost of production and substantial inventory losses have had to be absorbed due to a sharp decline in world raw sugar values during the latter months of the year. In addition our earnings have been adversely affected by the heavy impact of Federal and Provincial Taxes which increased over 1950 from 45.10% to 52.6%. As a result, the profit shown above is considerably less than should be expected from a normal year's operation. However, all losses resulting from writing our inventory down to market levels have been taken and we are justified in expecting that a more normal level of operating profit should be maintained during the current year.

During the year dividends to a total amount of \$1,010,000. were paid on the Preferred, Class "A" and Common shares of the Company. Of this amount \$200,000. was the participating dividend which accrued to the old Class "A" shareholders on the earnings for the year 1950, leaving a total of \$810,000. applicable to the year 1951. To offset the discrepancy between dividends paid on the year's operation and net earnings, \$140,000. has been transferred from inventory reserve to earned surplus.

During the year bonds in the amount of \$175,000. face value were retired and \$257,584.51 expended on capital improvements to the Company's manufacturing facilities. Net Working capital as of December 31, 1951 amounted to \$6,661,843.95. Investments in marketable securities carried at \$356,459.77 at December 31, 1951 had a market value of \$475,297.00 as at that date.

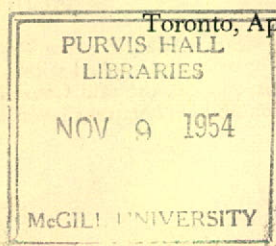
With the trials and tribulations of 1951 behind us, we feel that we can look forward to the year 1952 with considerable confidence.

Again the Directors gratefully acknowledge the loyal and efficient service rendered by everyone throughout the entire organization.

On behalf of the Board of Directors,

J. A. GAIRDNER,
President.

Toronto, April 7th, 1952.



ACADIA-ATLANTIC SUGAR

AND ITS WHOLLY OWNED SUBSIDIARIES,
AND ATLANTIC-ACADIA SUGAR

Consolidated Balance Sheet

ASSETS

FIXED ASSETS:

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Land, Buildings, Wharves, Plant Equipment, Furniture and Fixtures; of the Parent Company based on an appraisal made by Canadian Appraisal Company Limited as at 7th October 1939 with subsequent additions at cost; and of Subsidiary Company at cost | \$10,825,151.26 | |
| Less Reserves for Depreciation | 5,464,041.84 | \$ 5,361,109.42 |

CURRENT ASSETS:

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| Cash in Banks and on Hand | \$ 381,948.57 | |
| Accounts Receivable | 1,699,314.78 | |
| Realizable Securities (Market Value \$475,297.00) | 356,459.77 | |
| Inventories as determined and certified to by the Management and valued at the lower of Cost or Market in respect to General Supplies, and in respect to all sugars, based on the cost of Raw Sugar | 5,649,700.14 | 8,087,423.26 |

DEFERRED CHARGES:

| | | |
|--------------------------------------------------|--|------------|
| Unexpired Insurance, Prepaid Expenses, etc. | | 137,711.67 |
|--------------------------------------------------|--|------------|

GOODWILL, ETC.:

| | | |
|----------------------------------------------------------------------------------|-----------------|--------------|
| Excess of Cost over Book Value of Shares of Subsidiary at date of acquisition .. | \$ 8,140,000.00 | |
| Goodwill | 1.00 | 8,140,001.00 |

\$21,726,245.35

CONSOLIDATED STATEMENT OF INCOME AND PROFIT FOR THE YEAR ENDED 31st DECEMBER 1951

| | |
|--------------------------------------------------------------------------|--|
| Net Earnings from Operations | |
| Income from Investments and Deposits | |
| Miscellaneous Income | |
| Deduct: Depreciation Provisions | |
| Interest on Bonds | |
| Deduct: Provision for Income Taxes | |
| Net Profit | |
| Add: Appropriation from Inventory Reserve | |
| Earned Surplus for the year | |
| Balance of Earned Surplus brought forward from 31st December 1950 | |
| Add: Adjustment of Overprovision of Income Taxes in previous years | |
| Dividends declared — | |
| In respect of year 1950: | |
| On Class "A" Shares | |
| In respect of year 1951: | |
| On 5% Preference Shares | |
| On Class "A" Shares | |
| On Common Shares | |
| Balance of Consolidated Earned Surplus at 31st December 1951 | |

AUDITORS

To the Shareholders of Acadia-Atlantic Sugar Refineries Limited:

We have examined the above Consolidated Balance Sheet as at 31st December 1951 of the Acadia-Atlantic Sugar Refineries Limited and its wholly owned subsidiaries, and we report that our requirements as Auditors have been complied with.

We have obtained all the information and explanations which we have required and, in our opinion, the said Consolidated Balance Sheet gives a true and correct view of the state of the Companies' affairs according to the best of our information and explanations given us and

Toronto, 20th March 1952.

R REFINERIES LIMITED

ATLANTIC SUGAR REFINERIES LIMITED
SALES COMPANY LIMITED

at 31st December 1951

LIABILITIES

FIRST MORTGAGE AND COLLATERAL TRUST BONDS:

| | | |
|---------------------------------------------|---------------|-----------------|
| 3% Serial Bonds Maturing 1952/55 | \$ 700,000.00 | |
| 3¾% Sinking Fund Bonds, Maturing 1965 | 2,850,000.00 | \$ 3,550,000.00 |

CURRENT LIABILITIES:

| | | |
|-------------------------------------------------------------|---------------|--------------|
| Bank Loans | \$ 600,000.00 | |
| Trade Creditors and Accrued Charges | 608,458.42 | |
| Federal and Provincial Income Taxes | 52,120.89 | |
| Dividend on Class "A" Shares payable 2nd January 1952 | 90,000.00 | |
| Dividend on Common Shares payable 2nd January 1952 | 75,000.00 | 1,425,579.31 |

RESERVES:

| | | |
|---------------------------------------|-----------------|--------------|
| For Properties | \$ 1,206,999.23 | |
| For Decline in Inventory Values | 100,000.00 | 1,306,999.23 |

CAPITAL AND SURPLUS:

| | | |
|-------------------------------------------------|-----------------|------------------------|
| 5% Cumulative Redeemable Preference Shares | | |
| Authorized — 75,000 Shares of \$100.00 each | | |
| Issued and Outstanding — 30,000 Shares | \$ 3,000,000.00 | |
| Class "A" \$1.20 Cumulative Preferential Shares | | |
| Authorized — 600,000 Shares of no par value | | |
| Issued and Outstanding — 300,000 Shares | 200,000.00 | |
| Common Shares | | |
| Authorized — 1,000,000 Shares of no par value | | |
| Issued and Outstanding — 600,000 Shares | 100,000.00 | |
| | \$ 3,300,000.00 | |
| Distributable Surplus | 735,000.00 | |
| Capital Surplus | 1,529,585.17 | |
| Earned Surplus | 9,879,081.64 | 15,443,666.81 |
| | | <u>\$21,726,245.35</u> |

EXPENDITURE AND EARNED SURPLUS

31st DECEMBER 1951

| | | |
|-------|-----------------|-----------------|
| ..... | \$ 1,711,965.15 | |
| ..... | 16,251.49 | |
| ..... | 5,611.48 | \$ 1,733,828.12 |
| ..... | \$ 215,578.61 | |
| ..... | 130,062.50 | 345,641.11 |
| ..... |  | \$ 1,388,187.01 |
| ..... |  | 710,120.33 |
| ..... | \$ 678,066.68 | |
| ..... | 140,000.00 | |
| ..... | \$ 818,066.68 | |
| ..... | \$10,038,541.65 | |
| ..... | 32,473.31 | 10,071,014.96 |
| ..... |  | \$10,889,081.64 |

| | | |
|-------|-----------------|--------------|
| ..... | \$ 200,000.00 | |
| ..... | 150,000.00 | |
| ..... | 360,000.00 | |
| ..... | 300,000.00 | 1,010,000.00 |
| ..... | \$ 9,879,081.64 | |

REPORT

limited and its wholly owned subsidiaries, and the accompanying Consolidated Statement of Income and Expenditure and Earned
Balance Sheet and Consolidated Statement of Income and Expenditure and Earned Surplus are properly drawn up so as to exhibit
shown by the books of the Companies on 31st December 1951.

WIGGON & COMPANY,
Chartered Accountants.

ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

OFFICERS AND DIRECTORS

J. A. Gairdner, Toronto.....President and Chairman of the Board
Hon. Salter A. Hayden, Q.C., Toronto.....Vice-President and Secretary
Lewis J. Seidensticker, Montreal.....Managing Director
R. O. Bull, Toronto.....Director
J. C. H. Dussault, Q.C., Montreal.....Director
H. M. Long, Montreal.....Director
D. H. McDougall, Montreal.....Director
R. Howard Webster, Westmount.....Director
E. P. Taylor, Toronto.....Director
A. P. Beaulieu, Montreal.....Assistant Secretary and Treasurer