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Canada and Dominion Sugar Company Limited
and its Subsidiaries

Chatham - - Ontario



Consolidated
Annual Statements

December 31, 1949

CANADA AND DOMINION AND ITS S

(Incorporated Under th

Consolidated Balance

ASSETS

CURRENT:

Cash on hand and in banks	\$	439,803.90
Investment in Dominion Government bonds (ap- proximate market value \$8,285,000)	\$	8,143,625.00
Interest accrued thereon		59,761.46
		8,203,386.46
Accounts receivable	\$	1,765,098.56
Less reserve for possible credit losses		62,000.00
		1,703,098.56
Inventories of sugar, alcohol, by-products and sup- plies as determined and certified by company officials and valued at the lower of cost or market values	\$	10,386,927.42
Less reserve for possible inventory losses		200,000.00
		10,186,927.42
		\$20,533,216.34

FIXED:

Land, buildings, plant and equipment (as appraised by Canadian Appraisal Company Limited on April 30, 1931, with subsequent additions at cost)	\$	11,359,155.41
Less reserve for depreciation		6,490,107.47
		4,869,047.94

OTHER ASSETS 335,222.20

\$25,737,486.48

AUDITORS' REPORT

We have audited the accounts of Canada and Dominion Sugar Company Limited and The Canada Sugar Refining Company Limited for the year ending December 31, 1950, and report that, in our opinion, the above consolidated balance sheet and the related statements of income and expenses for the year and the related statements of assets and liabilities at the year end date according to the best of our information, the explanations given us and as

Toronto, Canada,
April 3, 1950.

SUGAR COMPANY LIMITED

SUBSIDIARIES

(Dominion Companies Act)

at, December 31st, 1949

LIABILITIES

CURRENT:

Accounts payable and accrued charges:

General	\$ 2,708,994.52	
Reserve for Dominion and Provincial income and and corporation taxes		862,698.33
		<u>\$ 3,571,692.85</u>

RESERVES:

Contingencies	\$ 2,275,000.00	
Replacement of plant and equipment	500,000.00	
Insurance	300,000.00	
Pensions	300,000.00	3,375,000.00
		<u>3,375,000.00</u>

CAPITAL:

Authorized—3,000,000 shares—no par value	
Issued —1,500,000 shares	\$14,000,000.00

DISTRIBUTABLE SURPLUS set aside on organiza-
tion of company 1,000,000.00

EARNED SURPLUS 3,790,793.63 18,790,793.63

CONTINGENT LIABILITIES:

The company has planned plant additions and replacements to be carried out in 1950 totalling approximately \$3,500,000 of which approximately \$2,650,000 has been contracted for or ordered.

\$25,737,486.48

Approved on behalf of the Board,

W. J. McGREGOR - Director.
HOWARD F. SMITH - Director.

THE SHAREHOLDERS

its subsidiaries, Montreal Products Company Limited, Dominion Sugar Company Limited, 1949, and have received all the information and explanations we have required. We statements of consolidated profit and loss and earned surplus have been drawn up so as of December 31, 1949, and of the results of their operations for the year ended on that date as shown by the books.

CLARKSON, GORDON & CO.
Chartered Accountants.

CANADA and DOMINION SUGAR COMPANY LIMITED
AND ITS SUBSIDIARIES

Statement of Consolidated Profit and Loss
FOR THE YEAR ENDING DECEMBER 31, 1949

Net operating profit after all charges (including \$103,602.45 remuneration to executive officers and solicitors' fees, \$13,600 directors' fees and \$594,951.55 depreciation)	\$ 3,179,217.13
Add income from investments	197,541.44
Profit before taxes on income	\$ 3,376,758.57
Deduct provision for taxes on income	1,380,000.00
Net profit for the year	<u>\$ 1,996,758.57</u>

Statement of Consolidated Earned Surplus

Balance December 31, 1948	\$ 3,219,035.06
Add net profit for the year	1,996,758.57
	<u>\$ 5,215,793.63</u>
Deduct four quarterly dividends—one of 20c and three of 25c per share	1,425,000.00
Balance December 31, 1949	<u>\$ 3,790,793.63</u>

CANADA AND DOMINION SUGAR COMPANY LIMITED

CHATHAM, ONTARIO

TO THE SHAREHOLDERS:-

Our consolidated net profit for 1949, after provision for income taxes of \$1,380,000, was \$1,996,758.57. At the year end our current assets were \$20,533,216.34 and current liabilities \$3,571,692.85, so that working capital was \$16,961,523.49.

Net additions to fixed assets during the year amount to \$1,069,241. The modernization program of your Company's plants and equipment continued throughout the year. An ultra-modern pulp drier was installed at the Chatham plant, and a raw sugar bulk storage warehouse, capacity 40,000 tons, is now under construction at your Montreal (Redpath) plant. Planned additions and replacements to plants for 1950 will total approximately \$3,500,000, in line with your Company's policy of increasing efficiency and producing the highest quality of refined sugars.

Out of 30,050 acres harvested in 1949, 335,442 tons of sugar beets were delivered and processed at your Chatham and Wallaceburg plants, producing 93,194,368 pounds of refined sugar. This is the first season in eight years that both your beet factories were operating on sugar beets.

30,578 tons of raw cane sugar were refined at your Wallaceburg plant prior to the 1949 beet sugar season.

Production of your well-known brands of "Redpath" and "Dominion Crystal" cane sugar aggregated 391,768,249 pounds in 1949.

Output of all your Company's sugars, cane and beet, totalled 484,962,617 pounds in 1949 as compared with 448,107,684 pounds the previous year, or an increase of 36,854,933 pounds.

Sugar beet acreage contracted to date is 40,328 acres, which, with a normal growing season, should assure capacity beet operations next fall at both plants.

Your Company has continued its immigration policy in which we have had excellent co-operation from Department of Immigration and from Mr. A. MacNamara, Deputy Minister of Labour, and his associates. The several hundred immigrants who have arrived since the war have been of invaluable assistance in working sugar beets and helping with other crops. Already many post-war arrivals have rented farms and a number have purchased farms outright. As they are well skilled in agriculture and are industrious and thrifty, it will be only a few years until they are settled on farms of their own.

Your Company is again establishing mobile labour pools in the sugar beet district manned by young European farmers screened by the Dominion and Ontario governments.

Your Wallaceburg plant is scheduled to begin cane refining May 15th. For the first time since 1932, raw sugars are being trans-shipped overside from ocean vessels at Montreal for direct lake vessel movement to your Company's Wallaceburg plant.

The Canadian Sugar Stabilization Corporation, a Crown Company, purchased raw sugars during 1949, allocated and sold them to the Canadian refiners. Sufficient raw sugars were obtained through the Corporation prior to the close of navigation to take care of your Company's requirements until the opening of navigation this spring. Government control of sugar ended March 31, 1950.

A contributory pension plan for employees became effective May 1st, 1950, and practically 100 per cent of eligible employees have joined the plan.

The results for the year speak highly of the co-operation and effort put forth by all your employees and this team work gives confidence to meet the challenge of the coming year.

Respectfully submitted

FOR THE BOARD OF DIRECTORS,
W. J. McGregor, President.

May 9, 1950.

