

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 Statement of Income and Expenditures and Earned Surplus of your Company and its Subsidiaries, Atlantic Sugar Refineries Limited and Atlantic-Acadia Sugar Sales Company Limited, for the year ending December 31st, 1949.

Net Income for the period, after providing for Interest and Depreciation as well as Federal and Provincial Taxes, amounted to \$883,480.48; Dividends of \$580,000. were declared, including a participating dividend of \$1.15 per share on the Class "A" Stock.

Government Control of sugar legally terminated on March 31, 1950. Prior thereto a gradual modification of Controls had been pursued by the Crown Company calculated to lessen any otherwise impact resulting from abrupt decontrol. Included therein was a readjustment of Refined Sugar prices as of December 27, 1949 to accommodate an increase in the cost of Raw Sugar.

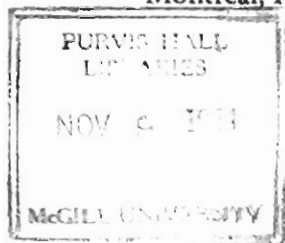
As of December 1, 1949 there was established a Contributory Retirement Income Plan for Employees.

Your Directors again record their grateful appreciation of the fine contribution made by all members of the officers, staff and Employees.

On behalf of the Board of Directors,

P. R. GARDINER,
President.

Montreal, April 5, 1950.



ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

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

CONSOLIDATED BALANCE SHEET AT 31st DECEMBER 1949

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.....	\$10,336,230.24	
Less Reserves for Depreciation.....	4,997,109.27	\$ 5,339,120.97

CURRENT ASSETS:

Cash in Banks and on Hand.....	\$ 1,515,090.87	
Accounts Receivable.....	1,749,313.65	
Realizable Securities (Market Value \$434,340.88).....	371,921.68	
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 fixed value of Raw Sugar as established by the Sugar Administrator.....	3,621,927.62	
Cash Surrender Value of Life Insurance.....	51,311.50	7,309,565.32

DEFERRED CHARGES:

Unexpired Insurance, Prepaid Expenses, Etc.....	155,715.51
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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

\$20,944,402.80

LIABILITIES

FIRST MORTGAGE AND COLLATERAL TRUST BONDS:

3% Serial Bonds Maturing 1950/55.....	\$ 1,050,000.00	
3¾% Sinking Fund Bonds, Maturing 1965.....	2,850,000.00	\$ 3,900,000.00

CURRENT LIABILITIES:

Trade Creditors and Accrued Charges.....	\$ 241,351.47	
Dominion and Provincial Income Taxes.....	550,864.02	
Dividend on Class "A" Shares payable 3rd January 1950.....	50,000.00	842,215.49

RESERVES:

Reserve for Properties.....	1,206,999.23
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CAPITAL AND SURPLUS:

5% Cumulative Redeemable Preference Shares—		
Authorized—75,000 Shares		
Issued—30,000 Shares of \$100.00 each.....	\$ 3,000,000.00	
200,000 \$1.00 Preferential Participating Class "A" Shares of No Par Value.....	200,000.00	
100,000 Common Shares of No Par Value.....	100,000.00	
	<u>\$ 3,300,000.00</u>	
Distributable Surplus.....	735,000.00	
Capital Surplus.....	1,529,585.17	
Earned Surplus.....	9,430,602.91	14,995,188.08

\$20,944,402.80

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE AND EARNED SURPLUS FOR THE YEAR ENDED 31st DECEMBER 1949

Net Earnings from Operations.....	\$ 1,897,963.09	
Income from Investments and Deposits.....	19,413.14	
Miscellaneous Income.....	4,279.53	\$ 1,921,655.76
Deduct: Depreciation Provisions.....	\$ 256,660.11	
Interest on Bonds.....	140,562.50	397,222.61
Net Profit for the year.....	\$ 1,524,433.15	
Less Provision for Income Taxes.....	640,952.67	
Earned Surplus for the year.....	\$ 883,480.48	
Balance of Earned Surplus brought forward from 31st December 1948.....	\$ 9,163,412.52	
Deduct: Estimate of additional Income Taxes for previous years.....	50,000.00	
	<u>\$ 9,113,412.52</u>	
Add: Credits related to previous years.....	13,709.91	9,127,122.43
		\$10,010,602.91
Dividends declared in 1949:		
On 5% Preference Shares.....	\$ 150,000.00	
On Class "A" Shares.....	430,000.00	580,000.00
Balance of Consolidated Earned Surplus at 31st December 1949.....	\$ 9,430,602.91	

AUDITORS' REPORT

To the Shareholders of Acadia-Atlantic Sugar Refineries Limited:

We have examined the above Consolidated Balance Sheet as at 31st December 1949 of the Acadia-Atlantic Sugar Refineries Limited and its wholly owned subsidiaries, and the accompanying Consolidated Statement of Income and Expenditure and Earned Surplus for the year ended 31st December 1949, 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 and Consolidated Statement of Income and Expenditure and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs according to the best of our information and explanations given us and as shown by the books of the Companies on 31st December 1949.

Toronto, 10th March 1950.

VIGEON & COMPANY,
Chartered Accountants.

ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

OFFICERS AND DIRECTORS

F. R. Graham, Vancouver.....	Chairman of the Board
P. R. Gardiner, Toronto.....	President
Hon. Salter A. Hayden, K.C., Toronto	Vice-President and Secretary
Lewis J. Seidensticker, Montreal.....	Managing Director
T. J. Dillon, New York	Director
J. C. H. Dussault, K.C., Montreal.....	Director
J. A. Gairdner, Toronto	Director
H. M. Long, Montreal.....	Director
D. H. McDougall, Montreal.....	Director
Howard P. Robinson, Saint John.....	Director
E. P. Taylor, Toronto.....	Director
E. S. Johnston, Montreal.....	Assistant Secretary and Treasurer