

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 for the year ended 31st December 1950, of your Company and its Subsidiaries, Atlantic Sugar Refineries Limited and Atlantic-Acadia Sugar Sales Company Limited.

The Net Profit for the year, after providing for Dominion and Provincial Taxes on Income, amounted to \$1,051,331.74. This is after charging interest on the funded debt and depreciation on the Companies' plants, and also after making a provision of \$240,000.00 as a reserve for decline in Inventory values.

The net working capital of the combined companies as at 31st December 1950 was \$7,202,842.58 as compared with \$6,467,349.83 at the end of the previous year, an improvement of \$735,490.75. This improvement in net working capital position of \$735,492.75 is after the reduction of funded debt during the year in an amount of \$175,000.00, and after the investment in additional plant and machinery of \$231,336.51. Subsequent to 31st December 1950 a participating dividend based on the operations for the year 1950 was declared in the amount of \$200,000.00 on the Class "A" shares then outstanding before the capital changes hereinafter described were effected.

The accompanying Balance Sheet reporting the Company's affairs as at 31st December 1950 sets forth the capital stock as it stood at that time. It is to be noted, however, that Supplementary Letters Patent dated 31st January 1951 have been issued to the Company providing for certain changes in the capital of the Company, which now consists of:

5% Cumulative Redeemable Preference Shares

Authorized — 75,000 Shares of \$100.00 each of which 30,000 are issued and outstanding.

Class A \$1.20 Cumulative Preferential Shares

Authorized — 600,000 Shares of no par value of which 300,000 are issued and outstanding.

Common Shares

Authorized — 1,000,000 Shares of no par value of which 600,000 are issued and outstanding.

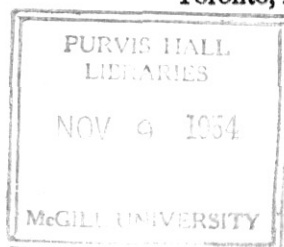
Again the Directors gratefully acknowledge the loyal and efficient services throughout the entire organization.

On behalf of the Board of Directors,

J. A. GAIRDNER,

President.

Toronto, April 11th, 1951.



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 1950

A S S E T S

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	\$10,567,566.75	
Less Reserves for Depreciation	5,263,463.23	\$ 5,304,103.52
CURRENT ASSETS:		
Cash in Banks and on Hand	\$ 890,154.46	
Accounts Receivable	1,749,799.45	
Realizable Securities (Market Value \$347,340.75)	252,413.51	
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	6,213,092.19	9,105,459.61
DEFERRED CHARGES:		
Unexpired Insurance, Prepaid Expenses, Etc.		128,178.95
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
	\$22,677,743.08	

L I A B I L I T I E S

FIRST MORTGAGE AND COLLATERAL TRUST BONDS:		
3% Serial Bonds Maturing 1951/55	\$ 875,000.00	
3¾% Sinking Fund Bonds, Maturing 1965	2,850,000.00	\$ 3,725,000.00
CURRENT LIABILITIES:		
Trade Creditors and Accrued Charges	\$ 1,056,076.30	
Dominion and Provincial Income Taxes	796,540.73	
Dividend on Class "A" Shares payable 2nd January 1951	50,000.00	1,902,617.03
RESERVES:		
For Properties	\$ 1,206,999.23	
For Decline in Inventory Values	240,000.00	1,446,999.23
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	
	\$ 3,300,000.00	
Distributable Surplus	735,000.00	
Capital Surplus	1,529,585.17	
Earned Surplus	10,038,541.65	15,603,126.82
	\$22,677,743.08	

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE AND EARNED SURPLUS FOR THE YEAR ENDED 31st DECEMBER 1950

Net Earnings from Operations	\$ 2,727,674.95	
Income from Investments and Deposits	21,100.26	
Miscellaneous Income	4,972.19	\$ 2,753,747.40
Deduct: Depreciation Provisions		
Interest on Bonds	\$ 266,353.96	
	135,312.50	401,666.46
Deduct: Provision for Income Taxes		
	\$ 2,352,080.94	1,060,749.20
Net Profit before providing Inventory Reserve		
	\$ 1,291,331.74	
Deduct: Reserve for decline in Inventory Values		
	240,000.00	
Earned Surplus for the year		
	\$ 1,051,331.74	
Balance of Earned Surplus brought forward from 31st December 1949	\$ 9,430,602.91	
Add: Realized Gain from Life Insurance Policies	46,607.00	9,477,209.91
	\$10,528,541.65	
Dividends declared in 1950:		
On 5% Preference Shares	\$ 150,000.00	
On Class "A" Shares	340,000.00	490,000.00
Balance of Consolidated Earned Surplus at 31st December 1950	\$10,038,541.65	

AUDITORS' REPORT

To the Shareholders of Acadia-Atlantic Sugar Refineries Limited:

We have examined the above Consolidated Balance Sheet as at 31st December 1950 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 1950, 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 1950.

Toronto, 12th March 1951.

VIGEON & COMPANY,
Chartered Accountants.

ACADIA-ATLANTIC SUGAR REFINERIES LIMITED

OFFICERS AND DIRECTORS

F. R. Graham, Vancouver.....	Chairman of the Board
J. A. Gairdner, Toronto.....	President
Hon. Salter A. Hayden, K.C., Toronto.....	Vice-President and Secretary
Lewis J. Seidensticker, Montreal.....	Managing Director
R. O. Bull, Toronto.....	Director
J. C. H. Dussault, K.C., Montreal.....	Director
P. R. Gardiner, Toronto.....	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