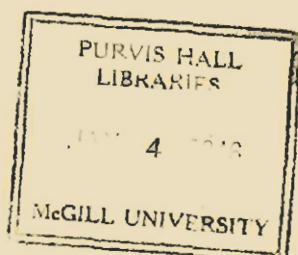


CANADA AND DOMINION SUGAR
COMPANY, LIMITED
and its Subsidiaries

CHESTERMAN — ONTARIO

CONSOLIDATED
ANNUAL STATEMENTS

31st JANUARY, 1939



CANADA AND DOMINION SUGAR COMPANY, LIMITED

AND ITS SUBSIDIARIES

(Incorporated Under The Dominion Companies Act)

CONSOLIDATED BALANCE SHEET, 31st JANUARY, 1939

ASSETS		LIABILITIES	
CURRENT:		CURRENT:	
Cash on hand and in banks	\$ 2,222,242.30	Accounts payable and accrued charges:	
Investment in bonds issued or guaranteed by the Dominion of Canada at cost or par value (market value \$9,987,100)	\$ 9,984,207.25	General.....	\$ 129,206.86
Interest accrued thereon	112,772.25	Dominion Government excise tax	212,000.45
Accounts receivable	224,411.25	Reserve for Dominion and Provincial income and corporation taxes	422,574.10
Less reserve for possible credit losses	22,000.00	Dividend declared payable 1st March, 1939	502,500.00
Inventories of sugar, alcohol, by-products and supplies as determined and certified by company officials and valued at the lower of cost or market value	2,070,215.97		
	<u>\$16,127,467.22</u>		
		RESERVES:	
		Contingencies	\$ 1,275,000.00
		Insurance	300,000.00
			<u>2,275,000.00</u>
		PENSION FUND	
		CAPITAL:	
		Authorized—5,000,000 shares—no par value	
		Issued— 1,500,000 shares	\$14,000,000.00
		Note—During the year the authorized and issued shares were divided one old for three new shares	
		DISTRIBUTABLE SURPLUS set aside on Organization of company	1,000,000.00
		EARNED SURPLUS	2,026,172.90
			<u>17,026,172.90</u>
			<u>\$20,921,922.22</u>
			<u>\$20,921,922.22</u>
			<u>\$20,921,922.22</u>
FIXED:			
Land, buildings, plant and equipment (as appraised by Canadian Appraisal Company, Limited, on 30th April, 1931) with subsequent additions at cost.....	\$ 8,221,205.15		
Less reserve for depreciation.....	3,822,168.92		
	4,429,036.27		
PENSION FUND:			
Investment in bonds of Dominion of Canada and Province of Ontario at cost (market value \$93,697.80) ..	\$ 97,697.80		
Cash.....	102,211.21		
	202,909.01		
OTHER ASSETS: (including loans to employee shareholders \$6,545.05).....	22,222.22		
	<u>\$20,921,922.22</u>		

Approved on behalf of the Board
C.H. Houston, Director
W.J. McGregor, Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Canada and Dominion Sugar Company, Limited, and its subsidiaries, Montreal Products Company, Limited, Dominion Sugar Company, Limited, and The Canada Sugar Refining Company, Limited, for the year ending 31st January, 1939, and have received all the information and explanations we have required. We report that in our opinion the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs at 31st January, 1939, according to the best of our information, the explanations given us and as shown by the books of the companies.

Toronto, Canada,
17th March, 1939.

CLARISON, GORDON, DILLWORTH, AND HASE,
Chartered Accountants.

CANADA AND DOMINION SUGAR COMPANY, LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

For Year Ending 31st January, 1939

Net operating profit after all charges		\$ 2,007,787.88
Add:		
Interest on investments	\$ 375,525.00	
Profit on disposal of fixed assets (net)	<u>1,443.91</u>	<u>374,968.91</u>
		\$ 2,382,756.88
Deduct reserve for Dominion and Provincial income taxes		<u>407,500.00</u>
Net profit for year carried to consolidated earned surplus account		<u><u>\$ 1,975,256.88</u></u>

Note:

The net profits shown above are after charging the following:

Depreciation	\$ 495,000.32	
Directors' fees	16,800.00	
Remuneration of executive officers' and solicitors' fees	21,128.26	

CONSOLIDATED EARNED SURPLUS ACCOUNT

31st January, 1939

Balance 31st January, 1938		\$ 3,713,416.34
Profit for year ending 31st January, 1939, after all charges including provision for income taxes	\$ 1,975,256.88	
Less reserved for pensions	<u>100,000.00</u>	<u>1,875,256.88</u>
		\$ 4,588,672.90
Deduct--Dividends:		
Two dividends of 37½¢ each per share and one dividend of \$1 per share on 800,000 shares outstanding before subdivision into 1,500,000 shares	\$ 875,000.00	
One dividend of 12½¢ per share, one dividend of 25¢ per share and two dividends of 37½¢ each per share (one of which is not payable until 1st March, 1939) on 1,500,000 shares	<u>1,687,500.00</u>	<u>2,562,500.00</u>
Balance 31st January, 1939		<u><u>\$ 2,026,172.90</u></u>