

British Columbia Sugar Refining Co. Ltd.

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# ***B.C. Sugar***



*Annual Report 1961*



THE  
BRITISH COLUMBIA SUGAR  
REFINING COMPANY,  
LIMITED

INCLUDING SUBSIDIARY COMPANIES

CANADIAN SUGAR FACTORIES LIMITED

THE MANITOBA SUGAR COMPANY LIMITED

CONSOLIDATED ACCOUNTS AND REPORT FOR  
THE YEAR ENDING SEPTEMBER 30TH, 1961



# B C SUGAR REFINERY, LIMITED

INCLUDING SUBSIDIARY COMPANIES

VANCOUVER, B.C. SEPTEMBER 30, 1961

## DIRECTORS

F. ROGERS (Chairman)	Vancouver, B. C.
H. F. ANGUS	Vancouver, B. C.
P. A. CHERNIAVSKY	Vancouver, B. C.
H. A. DUNLOP	Vancouver, B. C.
A. C. LAW	Vancouver, B. C.
A. M. ROBERTSON	Vancouver, B. C.
IRENE ROGERS	Vancouver, B. C.
R. H. TUPPER	Vancouver, B. C.



## OFFICERS

F. ROGERS

Chairman of the Board  
President and Managing Director

A. M. ROBERTSON

Vice-President and  
Secretary

P. A. CHERNIAVSKY

Vice-President and  
General Superintendent

H. A. DUNLOP

Treasurer and Comptroller

W. R. CRAIG

Chief Engineer

DR. F. H. PETO

Dir. Agricultural Research

J. M. REID

Purchasing Agent

R. P. CLARK

Personnel Manager

W. W. BLANKENBACH

General Chemist

R. E. HEWITT

Office Manager

### Canadian Sugar Factories Limited

IAN ANGUS

Vice-President and  
General Manager

D. W. PURDY

Assistant General Manager

J. G. SNOW

Agricultural Superintendent

### The Manitoba Sugar Company Limited

W. R. HETHERINGTON

Vice-President and  
General Manager

J. S. McDIARMID, Jr.

Secretary

J. W. HALL

Agricultural Superintendent





## PRESIDENT'S REPORT

In world sugar markets, confused conditions have prevailed over the past year. These were largely caused by the refusal of the U.S.A. to purchase supplies from Cuba and Santo Domingo, and the uncertainty developed in the minds of other sellers until their share of the lucrative American market was made known to them. Added to all this were many barter deals involving chiefly Cuban sugar and purchasing made on deferred pricing basis. Thus, quoted market values were at times fictitious, and it was most difficult for those in the industry to make any reasonable evaluation of market trends. While some of the confusion has been eliminated, the uncertainty which has overshadowed the market remains with us to a great extent.

In the meantime the chronic situation of surplus sugar stocks throughout the world was aggravated by a bumper crop of beet sugar in Europe, and it seems quite ridiculous that under these circumstances the U.S.S.R. is rapidly expanding its beet sugar production and the U.S.A. endeavouring to increase domestic output. World sugar prices are thus very depressed and there seems little hope for any improvement in the near future. Domestic Canadian prices followed the world market decline, and have now reached levels comparable with prices prevailing before the Second World War.



In the spring of this year the new pan house and bulk storage at the Vancouver refinery were put into operation, and we are pleased to report that the new facilities are operating smoothly and results are in line with expectations.



The sugar beet crop in Alberta last fall was very satisfactory, and in Manitoba a new record for tonnage of beets and production of sugar was made.

This resulted in substantial carry-overs of sugar at the year end; however, due to dry conditions last summer, production, particularly in Manitoba, is expected to be somewhat less than last year, and thus the surplus sugar of the previous crop may be disposed of in the coming year.



In recent years the cattle fattening and finishing industry on the prairies has greatly expanded, and more scientific methods are being adopted in the feeding of animals. This has resulted in a greater demand in domestic markets for the main by-products of the beet sugar industry, molasses and dry pulp.

In order to serve this market better, we have installed equipment to facilitate the handling of feed molasses, added pulp drying equipment at the Picture Butte factory and machinery for producing pelleted pulp at Taber.



In last year's Report, we advised shareholders that our Company was acquitted of the charge that acquisition of The Manitoba Sugar Company Limited contravened the Combines Act, but that the Crown had given notice that it intended to appeal to the Court of Appeal of Manitoba. However, in January of this year we were advised that the Crown had abandoned its appeal.

Since then your Company has purchased the remaining common shares of The Manitoba Sugar Company Limited which were outstanding, and all the preferred shares of The Manitoba Sugar Company Limited have been redeemed. The Company is now a wholly-owned subsidiary of The British Columbia Sugar Refining Company, Limited.

The prosecution under the Combines Act having ended, the Company is now proceeding with long delayed plans for major capital expenditure at the Manitoba factory. Chief amongst these is the construction of facilities for the bulk storage of sugar. Designs for these were completed during the summer and construction commenced this fall. It is expected that the bulk storage bins will decrease packaging and handling costs and, to a great extent, eliminate charges for storage off the Company's premises.



#### **P. T. ROGERS**

We regret to have to report the death on June 9, 1961 of Mr. P. T. Rogers. Mr. Rogers was the third son of the founder of the Company, and joined the staff in 1929. In 1939 he became President which post he held until 1953, when he retired from active service with the Company. Mr. Rogers was Chairman of the Board at the time of his death.



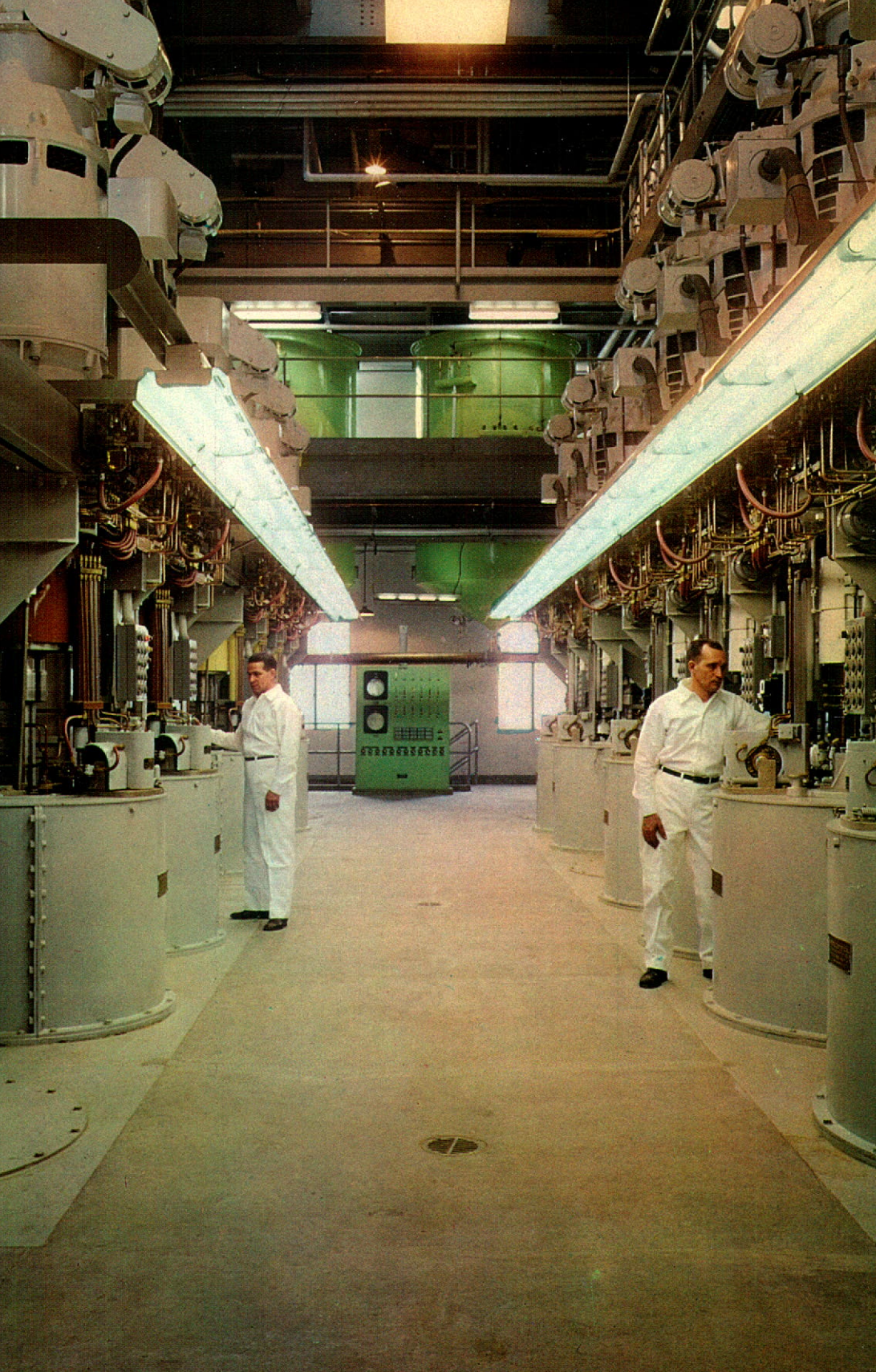
## NEW PAN HOUSE PROCESSING EQUIPMENT

A VIEW OF THE CENTRIFUGAL STATION. ▶

A VIEW OF THE PAN FLOOR SHOWING  
ONE OF THE VACUUM PANS AND THE  
EVAPORATORS FOR CONCENTRATING  
THE SUGAR LIQUORS. ▼







# THE BRITISH COLUMBIA SUGAR INCLUDING SUBSIDIARY

## CONSOLIDATED BALANCE SHEET

(WITH COMPARATIVE FIGURES)

### ASSETS

Current Assets:	1961	1960
Cash .....	\$ 114,791	\$ 221,235
Funds on short-term deposit .....	2,254,400	3,394,616
Marketable securities .....	—	1,260,328
Accounts receivable .....	2,604,013	2,574,412
Sugar and supplies—valued at cost or replacement .....	6,063,663	6,766,884
Prepaid expenses .....	147,167	208,521
	<u>11,184,034</u>	<u>14,425,996</u>

#### Investments at Cost:

(Market value September 30, 1961— \$927,000) .....	<u>591,884</u>	<u>752,917</u>
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#### Fixed Assets at cost less amounts

written off:

Land .....	340,256	336,026
Buildings, plant, machinery and equipment .....	31,775,701	29,421,041
	<u>32,115,957</u>	<u>29,757,067</u>

<u>\$43,891,875</u>	<u>\$44,935,980</u>
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Commitments for construction—\$500,000



# REFINING COMPANY, LIMITED COMPANIES

AS AT SEPTEMBER 30, 1961

AS AT SEPTEMBER 30, 1960)

## LIABILITIES

Current Liabilities:	1961	1960
Accounts payable .....	\$ 951,875	\$ 2,261,796
Balance due beet growers-estimated	983,673	862,669
Income taxes payable .....	989,651	839,785
	<u>2,925,199</u>	<u>3,964,250</u>
 Accumulated Depreciation .....	 <u>19,428,011</u>	 <u>18,443,891</u>
 Minority Interest in preferred and common shares of a subsidiary company .....	  <u>—</u>	  <u>1,369,458</u>
 Capital:		
Authorized:		
2,000,000 shares of no par value		
Issued:		
800,000 shares of no par value at a stated value of \$5 per share .....	4,000,000	4,000,000
 Earnings Retained in the Business .....	 <u>17,538,665</u>	 <u>17,158,381</u>
	<u>21,538,665</u>	<u>21,158,381</u>
	 <u>\$43,891,875</u>	 <u>\$44,935,980</u>

### On Behalf of the Board:

Forrest Rogers, Director  
A. M. Robertson, Director





# THE BRITISH COLUMBIA SUGAR REFINING COMPANY, LIMITED

INCLUDING SUBSIDIARY COMPANIES

## CONSOLIDATED STATEMENT OF EARNINGS FOR THE YEAR ENDED SEPTEMBER 30, 1961

(WITH COMPARATIVE FIGURES FOR  
THE YEAR ENDED SEPTEMBER 30, 1960)

	1961	1960
Net operating profit before the undernoted items .....	\$ 5,078,148	\$ 4,205,579
Income from investments .....	84,349	309,752
Profit on disposal of investments and land .....	69,000	154,248
	<u>5,231,497</u>	<u>4,669,579</u>
<b>Deduct:</b>		
Directors' fees .....	9,925	9,275
Provision for depreciation .....	1,600,000	1,250,000
Provision for income taxes .....	1,758,000	1,548,000
	<u>3,367,925</u>	<u>2,807,275</u>
	1,863,572	1,862,304
<b>Deduct</b> minority interest in earnings of The Manitoba Sugar Company Limited .....	68,017	76,047
Net profit for the year .....	<u>\$ 1,795,555</u>	<u>\$ 1,786,257</u>



# THE BRITISH COLUMBIA SUGAR REFINING COMPANY, LIMITED

INCLUDING SUBSIDIARY COMPANIES

## CONSOLIDATED STATEMENT OF EARNINGS RETAINED IN THE BUSINESS

FOR THE YEAR ENDED SEPTEMBER 30, 1961

(WITH COMPARATIVE FIGURES FOR  
THE YEAR ENDED SEPTEMBER 30, 1960)

	1961	1960
Balance at beginning of the year .....	\$17,158,381	\$16,652,124
Adjustment on consolidation of The Manitoba Sugar Company Limited to reduce the investment to net book value .....	55,271	—
	<u>17,103,110</u>	<u>16,652,124</u>
Net profit for the year .....	1,795,555	1,786,257
	<u>18,898,665</u>	<u>18,438,381</u>
Dividends paid .....	1,360,000	1,280,000
Balance at end of the year .....	<u>\$17,538,665</u>	<u>\$17,158,381</u>



# AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of The British Columbia Sugar Refining Company, Limited and subsidiary companies as at September 30, 1961 and the related consolidated statements of earnings and earnings retained in the business for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances, except for one subsidiary company, the accounts of which have been examined and reported on by other chartered accountants.

In our opinion, based on our examination and the report of the other chartered accountants referred to above and according to the best of our information and the explanations given to us and as shown by the books of the companies, the foregoing consolidated balance sheet and related consolidated statements of earnings and earnings retained in the business are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Company and subsidiary companies as at September 30, 1961 and the results of their combined operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Helliwell, MacLachlan & Co.,

Chartered Accountants.

Vancouver, B.C., November 17, 1961





