

Atlantic Sugar Refineries LIMITED

Report of the President and Directors for the Year Ending
April 30th, 1918

To the Shareholders,

REPORT OF THE DIRECTORS. ATLANTIC SUGAR REFINERIES, LIMITED.

Your Directors take pleasure in presenting herewith the third Annual Statement of your Company for the year ending April 30th, 1918.

The Profits for the year, as you will see from the Profit and Loss Account, amount to \$462,676.50. From the Profits have been deducted the following amounts:

Bond Interest	\$88,700.00
Bank Interest and Exchange	90,882.66
Proportion of Deferred Charges	33,991.22
Proportion of Discount on Bonds	2,321.06
Depreciation Reserve	40,000.00

leaving a net profit for the year of \$206,781.56. The balance of \$116,657.55 brought forward from the previous year, added to the above, makes a total of \$323,439.11 at the credit of Profit and Loss Account.

It will be noted that Bank Interest and Exchange have been very heavy and this is accounted for by the fact that during the greater portion of the period New York funds, in which payment for raw sugar purchases must be made, have been at a high premium.

The total business for the year amounted to over \$10,000,000, showing an increase over the previous year of over 25%. A portion of the year's business was for export to Great Britain and France, but the domestic business showed a gratifying increase over the previous year.

The net profits amount to about 2% on sales or about 15c per 100 pounds.

The Refinery was operated steadily throughout the year, with the exception of the necessary shut-downs owing to non-arrival of raw sugar. The plant has been maintained at the highest degree of efficiency, and additions and betterments to the value of \$50,220.78 have been made and added to Capital Account.

The shortage of raw sugar which occurred during the last three months of 1917; the scarcity of tonnage to move the sugar crop; the curtailment of supplies for Canada, and the fixing of prices by the International Sugar Commission have all been factors in limiting profits.

In October, 1917, a limiting factor was placed on the amount of business the Company may do by the formation of the International Sugar Commission in New York to control and allocate all supplies of raw sugar in North America. All of the Allied Countries submit to the ruling of this Board, and the quantity is allocated to the various Canadian Refiners by the Sugar Division of the Canada Food Board in New York, and the business of each Company is therefore limited to the extent of its allocation. Under the circumstances your Executive and Directors find it necessary to conduct the business of the Company on a modest scale, notwithstanding the constant and increasing demand of the trade.

The distribution of the Company's product extends from Halifax to Calgary, and the Goodwill of the Company is being constantly fostered and extended with very satisfactory results.

On July 1st, 1917, the Company redeemed outstanding Bonds amounting to \$50,000, in accordance with the terms of the Trust Deed.

Taking into consideration all the difficulties that the sugar business has had to contend with during the past nine months, your Directors consider the statements herewith presented satisfactory.

Respectfully submitted,

D. LORNE MCGIBBON,

President.

June 21, 1918,

BALANCE SHEET AS AT APRIL 30, 1918. ASSETS.

Lands, Buildings, Wharves, Plant equipment, etc.	\$4,120,259.58
Franchises, Leases, Goodwill, Trademarks, etc.	3,000,000.00
	\$7,120,259.58
Cash	56,698.84
Accounts Receivable	89,207.20
Bills Receivable	1,579.63
Inventories	573,958.85
	721,444.52
Expenditures made on account of future business	76,205.08
	\$7,917,909.18

BALANCE SHEET AS AT APRIL 30, 1918. LIABILITIES.

Capital Stock—Authorized:—	
30,000 7% Cum. Con. Preferred Shares of \$100 each	\$3,000,000.00
35,000 Common Shares of \$100 each	3,500,000.00
	\$6,000,000.00
Issued and fully paid:—	
25,000 7% Cum. Con. Preferred Shares of \$100 each	\$2,500,000.00
35,000 Common Shares of \$100 each	3,500,000.00
	\$6,000,000.00
NOTE—Dividend on Preference Stock cumulative from 1st July, 1914.	
Bonds—Authorized:—	
\$2,000,000 First Mortgage 6% Bonds.	
Issued:—	\$1,570,000.00
Less Redeemed, July 1, 1916	\$50,000
Less Redeemed, July 1, 1917	50,000
	100,000.00
	1,470,000.00
Accounts payable	35,070.07
Bond Interest Accrued	29,400.00
	64,470.07
Reserve for depreciation of Plant	60,000.00
Profit and Loss Account	323,439.11
	\$7,917,909.18

Contingent Liability for Bills under Discount, \$237,714
These Bills have since matured and were paid.
Approved on behalf of the Board.

D. LORNE MCGIBBON,
L. R. WILSON,

Directors.

To the Shareholders of the Atlantic Sugar Refineries, Limited.

We have examined the Accounts of the Atlantic Sugar Refineries, Limited, for the year ended 30th April, 1918, and have obtained all the information and explanations required by us. We hereby certify that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and explanations given to us, and as shown by the Books of the Company.

(Signed) MACINTOSH, COLE & ROBERTSON,

Chartered Accountants.

Montreal, 11th June, 1918.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDING APRIL 30TH, 1918.

Net Profits for Year before providing for undernoted charges	\$462,676.50
Less:—	
Bond Interest for year	\$88,700.00
Bank Interest and Exchange	90,882.66
Deferred Operating Charges	33,991.22
Proportion of Discount on Bonds	2,321.06
	\$215,894.94
	\$246,781.56
Written off:—	
Reserve for Depreciation of Plant	\$ 40,000.00
	\$206,781.56
Add balance of April 30th, 1917	116,657.55
	\$323,439.11

DECREASE IN CANADIAN EXPORTS.

In Canada's foreign trade return for the month of May, issued from Ottawa last week, exports of domestic produce at \$79,002,039 show a decrease of over \$70,000,000, or about 47 per cent, as compared with May a year ago. With imports for the month \$89,809,083, the net result was an adverse balance of \$10,807,044, as contrasted with a favorable balance of \$41,000,000 a year ago, of \$24,000,000 two years ago, and of \$7,000,000 three years ago. In other words it was the first May return for the war period to show a debit against Canada in its trade with the rest of the world.

Explanation of the decrease in exports would appear to lie largely in the fact that Europe's urgent demand for grain had resulted in larger shipments than usual through the winter months, with the surplus left for the usual forward movement on the opening of spring navigation materially reduced. The difference in the size of the two crops to be drawn upon is also to be reckoned with. In any event the decrease of \$70,000,000 in total exports for May this year is chiefly the difference in shipments of agricultural products. These appear in the current return as of a value of \$24,053,989, against \$71,793,023 in May a year ago.

While this is the chief decrease, the figures were lower all along the line, with the exception of exports classed under "the forest." Exports of manufactures declined from nearly \$54,000,000 to less than \$34,000,000, a plain reflection of manufacturers' many difficulties in securing necessary raw material. It was pointed out in these columns last autumn, when imports declined sharply after the institution of American embargoes on exports of certain materials from the United States, that the decrease was not due to Canadian economy in the buying of necessities, but was rather to be interpreted as a serious interruption to the inflow of raw materials badly needed in munitions and other lines. The suggestion at the time that later months would necessarily show considerable contraction in exports of manufactures has been borne out in the recent returns.

Between the two classifications, agricultural produce and manufactures, about \$66,000,000 of the \$70,000,000 decrease in May exports is accounted for.

May returns of exports and imports for seven years, with the balance for or against Canada, are shown in The Gazette's records as follows:

May.	Exports.	Imports.	Balance.
1918	\$79,002,039	\$89,809,083	—\$10,807,044
1917	149,057,000	107,596,083	+ 41,461,000
1916	94,653,000	69,697,000	+ 24,956,000
1915	42,080,000	34,390,000	+ 7,690,000
1914	30,005,000	45,076,000	— 15,071,000
1913	27,883,000	60,514,000	— 32,631,000
1912	33,343,000	53,780,000	— 20,437,000
	+ Excess of exports.	— Excess of imports.	

FIVE MONTHS RESULTS.

The poor showing of May results in bringing the country's favorable balance, for the first five months of the calendar year, slightly below the balance for the corresponding period of 1917 and considerably below that of 1916. Comparisons of five-months' figures follow:

Five Months.	Exports	Imports.	Balance.
1918	\$432,595,000	\$368,571,000	+ \$64,024,000
1917	503,948,000	437,093,000	+ 66,855,000
1916	379,821,000	283,705,000	+ 96,116,000
1915	173,366,000	170,435,000	+ 2,932,000
1914	120,230,000	214,586,000	— 94,356,000
1913	127,002,000	282,309,000	— 155,307,000
1912	11,348,000	238,284,000	— 127,935,000

Detailed figures of Canadian exports in May of each of the past three years, showing the main tendencies of our business abroad, follow: :

	1918.	1917.	1916.
Mine	\$ 6,025,915	\$ 6,323,572	\$ 6,299,546
Fisheries	1,080,134	1,105,506	1,478,734
Forest	7,015,582	5,007,147	4,174,038
Animals	6,607,272	11,376,808	6,287,620
Agriculture	24,053,989	71,793,023	47,433,750
Manufactures	33,953,359	52,949,625	27,734,477
Miscellaneous	265,788	501,555	1,244,973
Total	\$79,002,039	\$149,057,236	\$94,653,133