

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 per cent. 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 per cent. on sales or about 15 cents 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 21st, 1918.

BALANCE SHEET AS AT APRIL 30, 1918.

ASSETS.	
Lands, Buildings, Wharfs, 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
	<u>\$7,917,909.18</u>

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
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
	<u>\$6,000,000.00</u>

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

Less Redeemed, July

1, 1917

100,000.00

1,470,000.00

Accounts payable

Bond Interest Accrued

64,470.07

60,000.00

Reserve for depreciation of Plant.

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, } Directors.
L. R. WILSON,

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 under-noted 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
	<u>\$215,894.94</u>
	\$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
	<u>\$323,439.11</u>