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THE CANADA STARCH COMPANY  
Limited

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ANNUAL REPORT

FOR THE YEAR ENDING  
DECEMBER THIRTY-FIRST

1934

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# THE CANADA STARCH COMPANY LIMITED

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*President*

GEORGE F. BENSON

*Vice-Presidents*

J. J. WARREN

W. B. BLACKADER

*Secretary-Treasurer*

B. S. R. WATSON

*Directors*

J. H. HUNTER

G. F. BENSON, JR.

E. B. HOSMER

HUGH MACKAY, K.C.

A. C. MATTHEWS

B. S. R. WATSON

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*Executive Offices*

637 CRAIG STREET WEST, MONTREAL

## President's Report

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Montreal, February 27th, 1935.

TO THE SHAREHOLDERS—

Your Directors beg to submit their Annual Report of the Company's affairs for the year 1934, being the Twenty-ninth Annual Report of The Canada Starch Company, Limited.

The statements herewith submitted cover the operations of the Company for the year ending December 31st, 1934, and show a net operating profit, before depreciation, of \$492,813.91, after deducting all Head Office charges and the Carrying Charges on the Fort William Plant.

To this amount must be added \$21,602.61 revenue from certain investments, and dividend from the Company's steamer "Casco," operated under the name of the Lakes and St. Lawrence Navigation Company.

This makes a total profit of \$514,416.52 from which the sum of \$206,710.73 has been written off for depreciation, and to cover the reserve for Dominion and Provincial income taxes.

The net revenue for the year 1934 is therefore \$307,705.79 and after deducting the full amount due for dividend on the Preferred Stock last year, amounting to \$214,837.00, and making adjustments in respect of securities sold and Provincial taxes paid, there remains \$100,012.64 to be added to Earned Surplus Account. This makes the total balance at the credit of this account, \$567,377.36.

Your Directors are pleased to report that the sales of the Company's products for the year 1934 show an increase over the sales for the year 1933.

Your Directors wish to record their appreciation of the loyalty and efficiency of the staff throughout the Company's entire organization.

By Order of the Board of Directors.

G. F. BENSON  
President.

THE CANADA STARCO  
A  
CANADA STARCH SALES  
CONSOLIDATED

*as at 31st Dec*

ASSETS		
<b>CURRENT:</b>		
Cash on hand and in Banks		\$63,692.51
Call Loan—Secured		25,000.00
Accounts Receivable	407,261.47	
Less—Reserve for Doubtful Accounts	15,090.66	
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	392,170.81	
Advances to Agents	6,500.00	
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		398,670.81
Inventories of Stocks on hand—		
Determined by actual count, weight or measurement as to the Edwardsburg Works, and taken from the inventory records at the Fort William Works; and priced at the lower of Cost or Market:		
Edwardsburg Works	987,592.10	
Fort William Works	15,575.62	
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		1,003,167.72
Marketable Securities—at Cost:		
Dominion of Canada Bonds	101,612.50	
Sundry	442.25	
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(Market Value—\$107,403.00)	102,054.75	
Interest accrued to date	833.33	
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		102,888.08
		<hr/>
		1,593,419.12
 <b>PREPAID CHARGES:</b>		
Unexpired Insurance, etc.		7,184.93
<b>DEFERRED ACCOUNTS RECEIVABLE:</b>		
		9,422.49
<b>INVESTMENT IN WHOLLY OWNED SUBSIDIARY:</b>		
Lakes and St. Lawrence Navigation Company Limited		200,000.00
<b>OFFICE AND WAREHOUSE EQUIPMENT AND MOTORS:</b>		
At cost, less amounts written off		12,716.48
<b>REAL ESTATE, BUILDINGS, PLANT AND MACHINERY, AND WATER POWER RIGHTS:</b>		
At cost, less amounts written off		3,919,367.95
<b>TRADE MARKS, RIGHTS, AND BRANDS:</b>		
		111,800.00
<b>GOODWILL:</b>		
		1,186,500.00
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		<u>\$7,040,410.97</u>

**H COMPANY LIMITED**  
**ND**  
**LES COMPANY LIMITED**  
**BALANCE SHEET**

December, 1934

**LIABILITIES**

**CURRENT:**

Accounts Payable and Accrued Liabilities	\$59,090.66	
Lakes and St. Lawrence Navigation Company Limited	27,677.40	
Dominion and Provincial Taxes	61,405.17	
Preferred Dividend Payable 15th February, 1935	107,418.50	
Unclaimed Dividends	451.50	
		256,043.23

**RESERVES:**

Depreciation	1,931,297.30	
Contingencies	22,092.08	
		1,953,389.38

**CAPITAL STOCK:**

<b>7% Preferred—</b>			
<b>AUTHORIZED—</b>			
32,500 Shares \$100.00 each	\$3,250,000.00		
<b>ISSUED AND PAID-UP—</b>			
30,691 Shares		3,069,100.00	
<b>Common—</b>			
<b>AUTHORIZED—</b>			
12,500 Shares \$100.00 each	\$1,250,000.00		
<b>ISSUED AND PAID-UP—</b>			
11,865 Shares		1,186,500.00	
			4,255,600.00
			8,001.00

**CAPITAL SURPLUS:**

**EARNED SURPLUS:**

Balance at Credit 31st December, 1933		467,364.71	
<b>Add—Net Profit for year</b>	307,705.79		
Profit on Securities Sold	10,995.00		
		318,700.79	
			786,065.50
<b>Deduct—Provincial Income Taxes</b>			
applicable to prior periods	3,851.14		
Preferred Dividends Paid and Payable	214,837.00		
		218,688.14	
			567,377.36

**APPROVED ON BEHALF OF THE BOARD:**

G. F. BENSON, }  
 W. B. BLACKADER, } Directors.

\$7,040,410.97

Submitted subject to our report of this date.

(Signed) CLARKSON, McDONALD, CURRIE & CO.,  
 Chartered Accountants.

THE CANADA STARCH COMPANY, LIMITED  
AND  
CANADA STARCH SALES COMPANY, LIMITED

CONSOLIDATED GENERAL PROFIT AND LOSS ACCOUNT

*For the year ended 31st December, 1934*

By Net Results of Operations of the Edwardsburg Works and the Fort William Works		\$525,472.93
To Head Office Expenses, including Registrar's Fees, Legal Expenses, etc.	30,859.02	
Directors' Fees	1,800.00	
<b>NET OPERATING PROFIT</b>	<b>492,813.91</b>	
	<u>\$525,472.93</u>	<u>525,472.93</u>
By Net Operating Profit		492,813.91
Revenue from Investments		9,602.61
Dividend from Subsidiary Company		12,000.00
To Provision for Depreciation	156,710.73	
Provision for Dominion and Provincial Income Taxes	50,000.00	
<b>NET PROFIT—for Year</b>	<b>307,705.79</b>	
	<u>\$514,416.52</u>	<u>514,416.52</u>

# Auditors' Report

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TO THE SHAREHOLDERS,  
THE CANADA STARCH COMPANY LIMITED,  
MONTREAL.

We have audited the books and accounts of your Company at the Head Office and at the Edwardsburg Works, and also the books and accounts of Canada Starch Sales Company Limited, a wholly owned subsidiary, for the year ended 31st December, 1934. We have obtained all the information and explanations which we have required.

The books and accounts of the Fort William Works have been audited by Mr. P. H. B. Dawson, F.C.A., and the figures as shown in his certified statements have been incorporated in the Consolidated General Profit and Loss Account and Consolidated Balance Sheet of the Company.

The profits of Lakes and St. Lawrence Navigation Company Limited, a wholly owned subsidiary, have been taken into account in the attached Consolidated Financial Statements only to the extent of the dividend received by your Company, the balance of the profits being carried forward on the books of the subsidiary company.

We report that, in our opinion, the attached Consolidated Balance Sheet is 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 the explanations given to us and as shown by the books of the Companies.

(Signed) CLARKSON, McDONALD, CURRIE & CO.,  
Chartered Accountants.

MONTREAL, 11th February, 1935.

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THE CANADA STARCH COMPANY LIMITED

*Works  
located at:*

CARDINAL, ONT.  
FORT WILLIAM, ONT.

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