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# ANNUAL STATEMENT 1958

## LAKE OF THE WOODS MILLING COMPANY LIMITED

The Keewatin Flour Mills Company, Limited, The Medicine Hat Milling Company, Limited  
and Sunset Manufacturing Company, Limited

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*President and General Manager*  
H. NORMAN DAVIS

*Vice-President*  
A. ATKINS

*Directors*

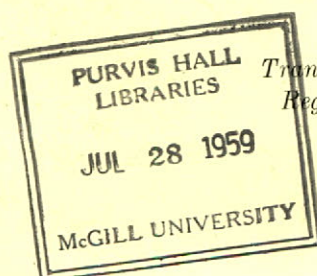
A. ATKINS  
ROSS CLARKSON  
H. NORMAN DAVIS  
R. R. HUTCHISON  
D. A. MACINNES

R. R. MACDOUGALL  
J. M. PEAREN  
J. H. PILLMAN  
F. T. REA  
J. W. TAIT

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*Secretary*.....D. A. MACINNES  
*Treasurer*.....T. A. RAINE

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*Transfer Agents—Crown Trust Company, Montreal and Toronto*  
*Registrars—Montreal Trust Company, Montreal and Toronto*

TO THE SHAREHOLDERS:

The Directors submit herewith the Balance Sheet and Profit and Loss and Surplus Account for the year ended August 31st, 1958.

Profit for the year, including profit on sale of fixed assets, also income from investments, amounted to.....	\$555,571.61
From which was deducted:—	
Dividend of Seven Percent on the Preferred Stock of.....	105,000.00
Leaving balance added to Surplus Account of.....	<u>\$450,571.61</u>

The Surplus Account has been charged with the amount of \$163,461.33 being the net cost, after income tax saving, of payments pursuant to Pension Plans.

Operating profits were better than last year as a consequence of better integration of operations with the parent Company and improvement in exports.

The Working Capital increased during the year by \$540,866.23, and now stands at \$7,002,961.91.

The Directors wish to record their appreciation of, and to give thanks to, the employees for their loyal and efficient service.

ON BEHALF OF THE BOARD,



President.



LAKE OF THE WOODS MILLING COMPANY  
LIMITED



# LAKE OF THE WOODS MILLS

THE KEEWATIN FLOUR MILLS COMPANY, LIMITED, THE MEDICINE HAT MILLS COMPANY, LIMITED

BALANCE SHEET AT 31st AUGUST 1958  
with Comparative Figures as at 31st August 1957

## CURRENT ASSETS:

	1958	1957
Cash .....	\$ 2,050.00	\$ 259,836.30
Accounts Receivable, less Reserve .....	2,481,605.19	3,032,374.41
Accounts Receivable, Subsidiary Company .....	71,637.65	46,798.14
Accounts Receivable, Affiliated Company .....	—	97,262.23
Inventories (including purchases for account of the Canadian Wheat Board) as determined and certified by responsible officials of the Company and valued at the lower of cost or market .....	5,954,683.14	5,841,839.51
Investments in Marketable Securities (Quoted Market value: 1958 — \$126,032.1957 — \$97,488.) .....	1.00	1.00
Total Current Assets .....	8,509,976.98	9,278,111.59

## CURRENT LIABILITIES:

Bank Loans, secured .....	423,797.72	1,934,000.00
Accounts Payable and Accrued Liabilities .....	795,905.56	515,968.46
Provision for Federal, Provincial and Municipal Taxes .....	65,043.23	187,553.53
Amount owing to Parent Company .....	222,268.56	178,493.92
Total Current Liabilities .....	1,507,015.07	2,816,015.91
Working Capital .....	7,002,961.91	6,462,095.68

## OTHER ASSETS:

Investment in Subsidiary Companies, not consolidated, at cost, less amount written off .....	1,489,108.12	1,489,108.12
Other Investments and Mortgages .....	65,249.96	41,043.62
Prepaid expenses .....	46,569.89	85,788.98

## Fixed Assets:

Land, Water Power, Buildings, Machinery and Equipment at cost, less depreciation applied .....	\$7,441,543.37	
Less: Reserve for Depreciation .....	3,859,398.28	3,582,145.09
Goodwill, Trade Marks, Patent Rights, etc. ....	250,000.00	250,000.00
Excess of Assets over Liabilities .....	\$12,436,034.97	\$12,148,924.68

## SHAREHOLDERS' EQUITIES:

Preferred Stock—		
Authorized, Issued and Fully Paid—		
15,000 Seven per cent Cumulative Preferred Shares of \$100.00 each .....	\$ 1,500,000.00	\$ 1,500,000.00
Common Stock—		
Authorized—200,000 shares of No Par Value.		
Issued— 147,689 shares .....	\$2,953,780.00	
Earnings retained for use in business:		
Earned Surplus as per statement attached .....	7,982,254.97	10,936,034.97
		10,648,924.68
		\$12,436,034.97
		\$12,148,924.68

Approved on behalf of the Board:

H. NORMAN DAVIS }  
ROSS CLARKSON } Directors

# MILLING COMPANY, LIMITED

ING COMPANY, LIMITED, AND SUNSET MANUFACTURING COMPANY, LIMITED

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31st AUGUST 1958 with Comparative Figures for the year ended 31st August 1957

	1958	1957
Earnings from Operations before deductions enumerated below.....	\$1,011,870.54	\$ 870,193.84
ADD: Investment Income.....	3,767.20	7,108.99
Dividends from Subsidiary Company—not consolidated.....	—	105,725.00
Net Profit on sale of Fixed Assets.....	119,829.22	21,864.86
	<u>1,135,466.96</u>	<u>1,004,892.69</u>
DEDUCT: Depreciation on Buildings and Machinery.....	156,430.43	200,954.69
Legal Fees.....	262.60	992.98
Remuneration of Executive Officers.....	17,461.01	40,763.11
Remuneration of Directors.....	6,711.81	7,421.21
	<u>180,865.85</u>	<u>250,131.99</u>
	954,601.11	754,760.70
Provision for Estimated Income Tax.....	399,029.50	299,130.25
Net Income for year, carried to Statement of Earned Surplus.....	<u>\$ 555,571.61</u>	<u>\$ 455,630.45</u>

Statement pursuant to Section 117, the Companies Act 1934.

The total remuneration received by officers and directors from the operating Subsidiary Company amounted to \$2,800.00 in 1958 and \$11,333.45 in 1957.

## STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED 31st AUGUST 1958

Balance at 31st August, 1957.....	\$7,695,144.68
DEDUCT: Pension Fund and Pension payments with respect to past service.....	\$412,181.65
Less: Related Income Tax Credit.....	<u>248,720.33</u>
	163,461.32
	<u>7,531,683.36</u>
ADD: Net income for year as per Statement of Income and Expenditure.....	555,571.61
	<u>8,087,254.97</u>
DEDUCT: Dividends:	
On Preferred Stock.....	<u>105,000.00</u>
Balance as per Balance Sheet.....	<u>\$7,982,254.97</u>

TO THE SHAREHOLDERS,  
LAKE OF THE WOODS MILLING COMPANY, LIMITED.

We have examined the Consolidated Balance Sheet of the Lake of the Woods Milling Company, Limited, and Consolidated Subsidiary Companies as at 31st August 1958 and the related Statements of Income and Expenditure and Surplus for the year ended on that date and have obtained all the information and explanations which we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, based on such examination, the accompanying Consolidated Balance Sheet and the related Statements of Income and Expenditure and Surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company and its Consolidated Subsidiary Companies at 31st August 1958 and the results of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

In accordance with Section 118 of The Companies Act, 1934, we report that the aggregate profits for the year of the Subsidiary Companies not consolidated have not been included in the accompanying Consolidated Financial Statements.

Signed for identification with our Report of this date

CREAK, CUSHING & HODGSON  
Chartered Accountants.

MONTREAL, 22ND OCTOBER 1958.



