



Annual Statement 1953

**LAKE OF THE WOODS MILLING COMPANY
LIMITED**

and its wholly owned subsidiaries

PURVIS HALL
LIB. ARMS

JUN 14 1954

McGILL UNIVERSITY

ANNUAL STATEMENT 1953

LAKE OF THE WOODS MILLING COMPANY LIMITED

and its wholly owned subsidiaries

President & General Manager

R. R. HUTCHISON

Vice-Presidents

ROSS CLARKSON

W. A. HASTINGS

J. M. PEAREN

Directors

H. J. CARMICHAEL, C.M.G.

ROSS CLARKSON

N. J. DAWES

W. A. HASTINGS

R. R. HUTCHISON

W. L. MACGREGOR

J. M. PEAREN

J. H. PILLMAN

ALPHONSE RAYMOND

Secretary.....D. A. MACINNES

Treasurer.....T. A. RAINE

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

TO THE SHAREHOLDERS:

The Directors are pleased to submit herewith the Consolidated Balance Sheet and Profit and Loss and Surplus Account which show the result of the Company's operations for the year ended August 31st, 1953.

The Net Operating Profits for the year, including revenue from investments, amount to \$407,376.43, compared with \$458,078.31 for the previous year.

The Working Capital of the Company increased during the year by \$39,023.00 and now stands at \$6,702,264.07.

Net Capital Expenditures amounted to \$189,074.76 and, as in the previous year, a substantial amount of money was spent on additions and improvements to our Line Elevators.

The Accounts Receivable at the end of the fiscal year show a considerable increase from last year, and this is explained by the following comment: The Company, as agents of the Canadian Wheat Board, make advances on account of grain taken into elevators from the producers; due to the large crop of last year, the Board's grains in our Line Elevators are greater in quantity, and accordingly the advances are larger than at the close of the former year.

The Company's sales in barrels of flour were greater in the domestic and export markets than in the previous year. Notwithstanding this, the profits in the milling division were lower, due to continuing rising costs of operations and a narrower profit margin.

The regular dividend of 7% on the Preferred Stock was paid in quarterly instalments, as was also the annual dividend of \$1.60 per share on the Common Stock.

The Controlled Company, Inter City Baking Company, Limited,
had satisfactory profits for its year ended January 31st 1953.

It is with deep regret we record the deaths of Mr. C. H. G. Short,
who served as President and Director, and Mr. Walter Molson, as
Vice-President and Director, for many years.

At the Directors' Meeting immediately following the last
Annual General Meeting of Shareholders, Mr. Ross R. Hutchison
was appointed President, and Mr. Ross Clarkson Vice-President.

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

On behalf of the Board,

A handwritten signature in cursive script, reading "Ross R. Hutchison". The signature is written in dark ink and is positioned above the printed name "President".

President

LAKE OF THE WOODS MI

AND ITS WHOLLY OWNED

CONSOLIDATED BALANCE SHEET

Assets

Current Assets

Cash on Hand and in Banks (Net).....	\$ 210,672.56
Investments (Market Value \$79,248.00).....	1.00

Accounts Receivable:—

(including advances for account of The Canadian Wheat Board)

After providing for bad and doubtful accounts.	5,079,722.98
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Inventories, valued as follows:—

Grain at approximate market value.

Flour and feed at approximate manufactured cost.

Bags and materials at approximate manufactured cost and approximate cost price respectively.....

3,861,807.57	\$ 9,152,204.11
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Deferred Charges to Revenue.....	49,363.85
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Sundry Investments—Grain Exchange Seat, etc.....	6,529.00
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Investment in Controlled Company—Allied Industry—

At cost less amount written off.....	694,853.12
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Property Account

Land, Water Power, Buildings, Machinery and

Equipment at Cost, less depreciation applied. 7,303,700.69

Less: Reserve for Depreciation..... 3,578,706.59 3,724,994.10

Goodwill.....	250,000.00
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\$13,877,944.18

Signed on Behalf of the Board:

ROSS R. HUTCHISON, *Director*

ALPHONSE RAYMOND, *Director*

LLING COMPANY, LIMITED

SUBSIDIARY COMPANIES

ET AS AT 31st AUGUST 1953

Liabilities

Current Liabilities

Bank Loans.....	\$1,003,000.00	
Accounts Payable.....	1,155,397.94	
Provision for Federal, Provincial and Municipal Taxes.....	291,542.10	\$ 2,449,940.04

Reserves

Insurance and other reserves.....	150,133.23	
Provision for possible decline in inventory values.....	125,000.00	
Provision for future advertising expenditures....	125,000.00	400,133.23

Capital Stock

Authorized:

200,000 shares of No Par Value, Common Stock
15,000 shares of 7% Cumulative Preferred
Stock of \$100.00 each

Issued:

147,689 shares of No Par Value, Common Stock	2,953,780.00	
15,000 shares of 7% Cumulative Preferred Stock of \$100.00 each.....	1,500,000.00	4,453,780.00

Earned Surplus.....	6,574,090.91
	<u>\$13,877,944.18</u>

Contingent Liabilities

On Customers' Paper under Discount.....	<u>\$ 108,834.00</u>
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WINNIPEG, 20TH OCTOBER, 1953.

Submitted with our report of this date.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON
Chartered Accountants,
Auditors.

AUDITORS' REPORT TO SHAREHOLDERS

TO THE SHAREHOLDERS,
Lake of the Woods Milling Company, Limited.

We have examined the books and accounts of Lake of the Woods Milling Company, Limited and of its Wholly Owned Subsidiary Companies for the year ended 31st August, 1953.

The dividends paid by the Controlled Company were less than its earnings during the period under review.

The inventories of stocks on hand have been determined and certified correct by responsible officials of the Companies, and we have satisfied ourselves that the basis of valuation is as stated.

We have obtained all the information and explanations we have required and, in our opinion, the attached Consolidated Balance Sheet as at 31st August, 1953, is properly drawn up so as to exhibit a true and correct view of the state of the Combined 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) RIDDELL, STEAD, GRAHAM & HUTCHISON
*Chartered Accountants,
Auditors.*

MONTREAL, 20TH OCTOBER, 1953.

PROFIT AND LOSS AND SURPLUS ACCOUNT

FOR THE YEAR ENDED 31st AUGUST, 1953

Balance at 31st August, 1952..... \$6,508,016.88

Net operating profit for the year ended 31st August,
 1953..... \$989,270.68

Less: Interest.....	\$ 38,459.22	
Depreciation.....	161,198.42	
Directors' fees.....	6,619.71	
Executive salaries.....	85,744.15	
Legal fees.....	603.03	
Provision for income taxes.....	364,139.62	656,764.15
		332,506.53

Dividends from investment in the Con- trolled Company.....	68,789.50		
Income from investments.....	6,080.40	74,869.90	407,376.43
			6,915,393.31

Deduct: Dividend on Cumulative Preferred Stock.....	105,000.00		
Dividend on Common Stock.....	236,302.40		341,302.40

Balance at 31st August, 1953,
 per Consolidated Balance Sheet..... \$6,574,090.91





The illustrations on this page show some of the more important retail packages offered by your Company. These represent some of the most popular packages in grocery stores throughout Canada.

