

Letter in file



Annual Statement 1954

**LAKE OF THE WOODS MILLING COMPANY
LIMITED**

and its wholly owned subsidiaries

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MCGILL UNIVERSITY

ANNUAL STATEMENT

1954

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

<i>Secretary</i>	D. A. MACINNES
<i>Treasurer</i>	T. A. RAINE

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

TO THE SHAREHOLDERS:

The Directors 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, 1954.

The Net Operating Profits for the year, including revenue from investments, amounted to \$298,561.60, and was less than the dividends paid out during the year.

Sundry adjustments affecting prior years, less income taxes thereon, and excess provision for prior years' taxes, no longer required, amounted to \$119,869.31. After payment of the regular dividend of 7% on the Preferred Stock in quarterly instalments, and \$1.60 per share on the Common Stock, which together amounted to \$341,302.40, the Surplus Account was increased by \$77,128.51.

Net Capital Expenditures were substantial, at \$315,596.30. A warehouse was built at Sydney, N.S., and Medicine Hat Mill was changed over from Steam Drive to Electricity. Efficiency of the Bag Factory was greatly improved by the purchase of a modern high speed printing press. A considerable sum was spent on the Line Elevators, and three new annexes were built.

The Capital Expenditures, including additional purchases of Capital Stock of the Controlled Company of \$16,795.00, caused a reduction in Working Capital of \$82,911.68, which now stands at \$6,619,352.39.

The Company's sales in barrels of flour were well maintained in the domestic market. The export sales show a decrease, which was common to the industry. Competition remains very keen and profit margins have been reduced in both domestic and export markets.

The Controlled Company, Inter City Baking Company Limited, had satisfactory profits for its year ended January 31st, 1954.

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 A. Hutchison". The signature is written in dark ink and is positioned above the title "President".

President

LAKE OF THE WOODS MI

AND ITS WHOLLY OWNED

CONSOLIDATED BALANCE SHEET

Assets

Current Assets

Cash on Hand and in Banks (net).....	\$	97,636.48
Investments (Market Value \$124,488.00).....		1.00

Accounts Receivable:—

(Including advances for account of The Canadian Wheat Board)

After providing for bad and doubtful accounts.	5,443,093.88
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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.....

3,150,807.04	\$ 8,691,538.40
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Deferred Charges to Revenue.....	41,511.19
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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.....	711,648.12
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Property Account

Land, Water Power, Buildings, Machinery and

Equipment at Cost, less depreciation applied. 7,580,668.59

Less: Reserve for Depreciation..... 3,704,576.64 3,876,091.95

Goodwill, Trade Marks, Etc.....	250,000.00
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\$13,577,318.66

Signed on Behalf of the Board:

ROSS R. HUTCHISON, *Director*

W. A. HASTINGS, *Director*

LLING COMPANY, LIMITED

SUBSIDIARY COMPANIES

AS AT 31st AUGUST, 1954

Liabilities

Current Liabilities

Bank Loans—secured.....	\$1,274,000.00	
Accounts Payable.....	603,436.79	
Provision for Federal, Provincial and Municipal Taxes.....	194,749.22	\$ 2,072,186.01

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.....	6,651,219.42	
		<u>\$13,577,318.66</u>

Contingent Liabilities

On Customers' Paper under Discount.....	\$ 440,480.35
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MONTREAL, 12TH OCTOBER, 1954.

Submitted with our report of this date.

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

AUDITOR'S 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, 1954.

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, 1954, 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.

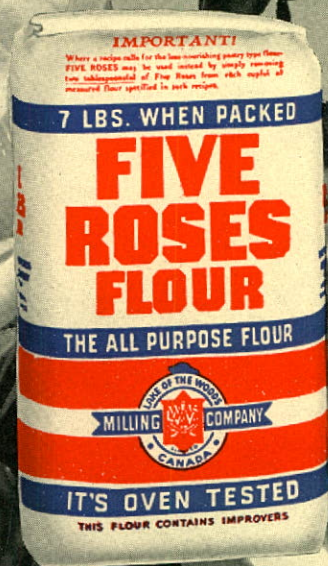
MONTREAL, 12TH OCTOBER, 1954.

PROFIT AND LOSS AND SURPLUS ACCOUNT

FOR THE YEAR ENDED 31st AUGUST, 1954

Balance at 31st August 1953.....			\$6,574,090.91
Add: Sundry adjustments affecting prior years, less income tax.....	\$ 29,869.31		
Excess provision for prior years' taxes no longer required.....	90,000.00	119,869.31	
		<hr/>	6,693,960.22
Net operating profit for the year ended 31st August 1954.....	757,351.82		
Less: Interest.....	\$ 92,825.66		
Depreciation.....	164,571.32		
Directors' fees.....	6,215.13		
Executive salaries.....	92,802.16		
Legal fees.....	454.03		
Provision for income taxes (See Note).....	179,164.79	536,033.09	
		<hr/>	221,318.73
Dividends from investments in the Con- trolled Company.....	69,498.50		
Income from investments.....	7,744.37	77,242.87	298,561.60
		<hr/>	6,992,521.82
Deduct: Dividend on Cumulative Preferred Stock.....	105,000.00		
Dividend on Common Stock.....	236,302.40	341,302.40	
		<hr/>	
Balance at 31st August 1954, per Consolidated Balance Sheet.....			<u>\$6,651,219.42</u>

Note: Provision for Income Taxes has been calculated on the basis of the company claiming, in accordance with the regulations of the Income Tax Act, additional depreciation of \$32,317.50 in excess of that recorded in these accounts.





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.

