

C
Stack

(Lake of the Woods)

ANNUAL STATEMENT 1956

LAKE OF THE WOODS MILLING COMPANY LIMITED

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

President and General Manager
R. R. HUTCHISON

Vice-Presidents

ROSS CLARKSON

J. M. PEAREN

Directors

A. ATKINS

ROSS CLARKSON

H. NORMAN DAVIS

R. R. HUTCHISON

D. A. MACINNES

R. R. MACDOUGALL

J. M. PEAREN

J. H. PILLMAN

ALPHONSE RAYMOND

J. W. TAIT

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

PURVIS HALL
LIBRARIES

APR 9 1957

McGILL UNIVERSITY

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 which show the result of the Company's operations for the year ended August 31st, 1956.

Profit for the year, including profit on sale of fixed assets, also income from investments, amounted to \$533,376.30

Dividends paid were as follows:—

Seven percent on the Preferred Stock \$105,000.00

One Dollar and Forty Cents (\$1.40) per share on Common Stock 206,764.60

Total distribution during the year being 311,764.60

And there was added to Surplus Account the balance of \$221,661.70

Reserves no longer required, amounting to \$400,133.23 were added to Surplus Account, and deduction was made from Surplus Account of an amount of \$150,000.00, as Provision for contribution to Benefit Fund with respect to past service.

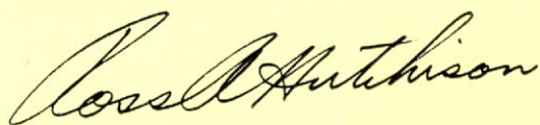
The Shareholders will be interested in knowing that commencing September 1st, 1956, the Company has set up a Contributory Pension Plan. Past Service Benefits will be given employees and this cost will be borne entirely by the Company. The charge to Surplus Account in this connection is the commencement of taking care of this obligation.

During the past year the Company made an offer to the shareholders of Inter City Baking Company, Limited to purchase their shares for \$20.00 each. The offer was duly accepted, and by the end of the fiscal year your Company became the owner of all outstanding Common Shares of Inter City Baking Company, Limited.

The decrease in Working Capital during the year is accounted for by the purchase of the balance of the Baking Company shares, very substantial additions and improvements to line elevators, and the provision for contribution to Benefit Fund with respect to past service.

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 MILL

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

CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST 1956 with comparative figures as at 31st August, 1955

CURRENT ASSETS	1956	1955
Cash on hand and in banks (Net).....	\$ 562,715.58	\$ 399,681.67
Investments (market value 1956 — \$104,165, 1955 — \$112,488).....	1.00	1.00
Accounts receivable, less reserve.....	2,926,793.09	1,946,941.93
Account receivable, subsidiary company.....	133,812.74	89,979.39
Advances for account of The Canadian Wheat Board.....	3,794,464.08	3,297,196.11
Inventories, valued at the lower of cost or market.....	1,771,735.50	2,372,003.27
Total Current Assets.....	9,189,521.99	8,105,803.37
CURRENT LIABILITIES		
Bank loans, secured.....	1,753,000.00	227,000.00
Accounts payable.....	1,129,236.18	642,293.40
Provision for Federal, Provincial and Municipal Taxes.....	153,772.74	149,501.76
	3,036,008.92	1,018,795.16
Working Capital.....	6,153,513.07	7,087,008.21
OTHER ASSETS		
Investment in operating Subsidiary Company, at cost, less amount written off.....	1,488,108.12	712,870.62
Other investments.....	47,946.75	6,528.00
Prepaid expenses.....	136,568.94	42,680.15
PROPERTY ACCOUNT		
Land, Water Power, Buildings, Machinery and Equipment at cost, less depreciation applied.....	\$ 7,588,024.31	
Less: Reserve for depreciation.....	3,766,617.47	
	3,821,406.84	3,726,845.04
Goodwill, Trade Marks, etc.....	250,000.00	250,000.00
	11,897,543.72	11,825,932.02
RESERVES		
Provision for insurance, employees' retirement, decline in inventory values and future advertising expenditures.....	—	400,133.23
Excess of Assets over Liabilities.....	\$11,897,543.72	\$11,425,798.79
SHAREHOLDERS' EQUITIES		
Preferred Stock— Authorized, Issued and Fully Paid— 15,000 7% 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.....	7,443,763.72	10,397,543.72
	10,397,543.72	9,925,798.79
	\$11,897,543.72	\$11,425,798.79
CONTINGENT LIABILITY		
On Customers Paper under discount.....	\$ 148,056.90	\$ 703,501.13

Approved on behalf of the Board:

ROSS R. HUTCHISON }
ALPHONSE RAYMOND } Directors

MILLING COMPANY, LIMITED

ING COMPANY, LIMITED, AND SUNSET MANUFACTURING COMPANY, LIMITED

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31st AUGUST, 1956 with comparative figures for the year ended 31st August, 1955.

	1956	1955
Earnings from operations before deductions enumerated below.....	\$ 692,738.97	\$ 604,081.30
ADD:		
Investment Income.....	4,934.71	6,548.99
Dividends from operating Subsidiary Company.....	129,908.75	70,123.50
Profit on sale of Investments and Fixed Assets.....	173,566.22	323,563.14
	<u>1,001,148.65</u>	<u>1,004,316.93</u>
DEDUCT:		
Depreciation.....	198,844.53	189,524.81
Legal Fees.....	860.13	2,323.70
Executive Salaries.....	58,916.12	93,733.58
Directors' Fees.....	6,943.19	7,002.49
	<u>265,563.97</u>	<u>292,584.58</u>
	735,584.68	711,732.35
Provision for Estimated Income Tax.....	202,208.38	153,012.88
Net Income for the year, carried to Statement of Earned Surplus.....	<u>\$ 533,376.30</u>	<u>\$ 558,719.47</u>
NOTE: The total remuneration received by Officers and Directors from the operating Subsidiary Company amounted to \$10,799.84 in 1956 and \$12,599.84 in 1955.		

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED 31st AUGUST, 1956 with comparative figures for the year ended 31st August, 1955.

	1956	1955
Balance at previous 31st August.....	\$6,972,018.79	\$6,651,219.42
ADD:		
Reserves no longer required.....	400,133.23	—
	<u>7,372,152.02</u>	<u>6,651,219.42</u>
DEDUCT:		
Provision for contribution to Benefit Fund with respect to past service.....	150,000.00	—
	<u>7,222,152.02</u>	<u>6,651,219.42</u>
ADD:		
Net income for year as per Statement of Income and Expenditure.....	533,376.30	558,719.47
	<u>7,755,528.32</u>	<u>7,209,938.89</u>
DEDUCT:		
Dividends on Preferred Stock.....	105,000.00	105,000.00
Dividends on Common Stock.....	206,764.60	132,920.10
	<u>311,764.60</u>	<u>237,920.10</u>
Balance per Consolidated Balance Sheet.....	<u>\$7,443,763.72</u>	<u>\$6,972,018.79</u>

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, The Keewatin Flour Mills Company, Limited, The Medicine Hat Milling Company, Limited, and Sunset Manufacturing Company, Limited, for the year ended 31st August, 1956.

The dividends paid by the operating Subsidiary Company exceeded its earnings by \$29,914.08.

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, 1956, 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,

MONTREAL, 4TH OCTOBER, 1956.

Chartered Accountants.

