

The

OGILVIE FLOUR MILLS

COMPANY LIMITED



ANNUAL REPORT

For the Year Ended 31st August

1944

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The
OGILVIE FLOUR MILLS
COMPANY LIMITED

FOUNDED 1801



Head Office: MONTREAL, P.Q.

Mills at

MONTREAL

FORT WILLIAM

WINNIPEG

MEDICINE HAT

EDMONTON

ANNUAL REPORT
For the Year Ended 31st August
1944

To the shareholders of

THE OGILVIE FLOUR MILLS COMPANY, Limited

Your directors present herewith the Balance Sheet and Profit and Loss Account of the company for the year ended August 31st, 1944, certified by your auditors, Messrs. Creak, Cushing & Hodgson.

Profits for the year, after all charges for administration, maintenance and depreciation, and after making provision for taxes estimated to be payable, amounted to.....\$1,055,004.15 out of which dividends were paid, or reserved for payment, as follows:

\$7.00 per share on the preferred stock	\$140,000.00	
\$1.00 per share on the common stock	600,000.00	740,000.00

leaving a balance of.....\$ 315,004.15

carried forward to Earned Surplus Account.

Flour mill production was slightly down in volume as compared with the previous year, due primarily to a six weeks' shut-down of the Royal mill, Montreal, as a result of damage by fire.

Cereal mill production was well maintained, and feed mill production reached new records in volume, in spite of scarcity of certain ingredients.

Wheat and coarse grain handlings through our country and terminal elevator system were large, although handicapped, as indeed were all our operations, by the prevailing shortage of manpower.

As predicted in last year's report, depreciation charges were somewhat lower, owing to the write-off of temporary facilities having been completed in previous years.

Income from investments was well maintained, but capital gains were considerably less than a year ago.

Total income showed an increase for the year of \$436,021.27, but income and excess profits taxes totalling \$805,000.00 were \$385,000.00 more than a year ago, thus reducing the net improvement to \$51,021.27.

Working capital improved to the extent of \$320,290.42 after substantial expenditures on capital account.

The spread between the book value and the fair market value of the investment portfolio showed a further gain, due to the continued improvement in general security values.

It seemed likely a year ago that the demand for flour and feed, both for export and domestic markets, might, as a result of the war, tax our facilities to the utmost for some time to come.

While this is still true, it is evident that the countries so far liberated by the Allies are, in the main, better supplied with basic foodstuffs for current needs than had been anticipated.

Your directors are nevertheless hopeful that in due course, after victory has been won, trade arrangements will be agreed upon by the United Nations which will enable your company to compete freely in the markets of all food importing countries on the basis of quality and price.

In the belief that reasonable trading conditions will prevail, we are proceeding, as fast as the necessary priorities in labour and materials will permit, to repair our plants which have been subjected to great strain and wear and tear since the beginning of the war, maximum production having been maintained over a long period in spite of the fact that equipment could not be kept up as in normal times.

The modernization of our milling facilities in Montreal, referred to in last year's report, is proceeding slowly and if labour, materials and machinery can be secured as planned, we hope to have the new mill in operation early in 1946.

After long and careful study by the chemists of our research department, we decided to commence production on a commercial scale of wheat starch and wheat gluten. The machinery for this purpose has been installed in our Fort William plant and we expect to be in full production before the end of 1944.

This is a new departure in our business, which may lead to developments of major importance to both agriculture and industry.

The necessity for finding a wider range of uses for the cereal products of Western Canada is constantly in our minds in directing the studies which occupy the time and thought of our technical experts.

The 1944 wheat crop is variable in quality and not equal to the crops of the two preceding years. Unfavourable weather conditions during and since harvest time have resulted in much tough, damp and sprouted grain in many sections. However, the total crop is quite large and with last year's carryover there is ample good wheat available with which to maintain the high quality of Canadian flour.

All employees continued to serve the company loyally and efficiently during the year.

Service allowances to those members of our staff who are serving in the armed forces have been maintained in keeping with our policy since the war started.

We regret to report that nine of them have given their lives in the performance of their duties and we honour their memories for the sacrifices they have made.

Submitted on behalf of the board,

CHARLES A. DUNNING,

Montreal, November 1st, 1944.

President.

THE OGILVIE FLOUR MILL

BALANCE SHEET,

ASSETS

CURRENT ASSETS:

Cash.....	\$ 500,659.51	
Accounts Receivable, less Reserve.....	2,428,209.94	
Stocks of Wheat (including Wheat purchased for account of The Canadian Wheat Board), Flour, Feeds, Rolled Oats, Coarse Grains and Bags, as determined and certified by responsible officials of the Company. Company's Stocks valued at cost or under and not above market value at this date, less Reserve.....	4,678,140.29	
Investments:		
Marketable Securities.....	\$1,822,190.65	
Shares in and amounts owing by wholly owned Subsidiary Companies (the assets of which consist of marketable securities):		
Shares....	\$ 155,000.00	
Amounts owing...	1,708,360.45	
	<u>1,863,360.45</u>	
		*3,685,551.10
		<u>\$11,292,560.84</u>

OTHER ASSETS:

Investments in partly owned Subsidiary Companies:		
Shares, less Reserve.....	476,344.03	
Amount owing.....	21,699.62	
	<u>498,043.65</u>	
Other Investments and Mortgages, less Reserve	557,227.77	
Refundable Portion of Excess Profits Tax (estimated).....	103,717.64	
	<u></u>	1,158,989.06

DEFERRED CHARGES:

Prepaid Expenses.....	33,354.08
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FIXED ASSETS:

Real Estate, Developed Water Powers and Mill Plants in Montreal, Fort William, Winnipeg, Medicine Hat and Edmonton; Terminal Elevator and Annex at Fort William and Country Elevators in Manitoba, Saskatchewan and Alberta; Property in Montreal, Ottawa, Toronto, Calgary and Vancouver; at predecessor Company's net book value of 1924, with additions at cost; Motor Trucks, Office Furniture and Equipment, at cost less Reserve.....	9,039,778.17	
Less Reserve for Depreciation.....	5,059,921.03	
	<u></u>	3,979,857.14
GOODWILL, TRADE MARKS, PATENT RIGHTS, ETC.		1.00
		<u>\$16,464,762.12</u>

*Fair Market Value \$9,704,000.00.

Approved on behalf of the Board:

CHARLES A. DUNNING }
H. MONTAGU ALLAN } *Directors.*

LS COMPANY, LIMITED

1st AUGUST, 1944

LIABILITIES

CURRENT LIABILITIES:

Loans (Secured).....	\$ 488,980.76	
Accounts Payable and other Current Liabilities	1,711,754.72	
Amount owing to partly owned Subsidiary Com- pany.....	29,645.67	
Provision for Income and Excess Profits Taxes	915,648.99	
Provision for Dividends Payable.....	185,000.00	
		\$ 3,331,030.14

PREFERRED STOCK:

Authorized, Issued and Fully Paid:		
20,000 Seven per cent Cumulative Preferred Shares of \$100.00 each		2,000,000.00

COMMON STOCK AND SURPLUS:

Common Stock:			
Authorized, Issued and Fully Paid:			
600,000 Shares of No Par Value.....	2,500,000.00		
Rest Account.....	\$5,000,000.00		
Excess Profits Tax Refundable..	103,717.64		
Earned Surplus:			
Balance as per Statement attached.....	3,530,014.34	8,633,731.98	11,133,731.98

\$16,464,762.12

Signed for identification with our certificate of this date.

CREAK, CUSHING & HODGSON,

Chartered Accountants,

Auditors.

MONTREAL, OCTOBER 3RD, 1944.

BALANCE SHEET

THE OGILVIE FLOUR MILLS COMPANY, Limited
PROFIT AND LOSS ACCOUNT
For the Year Ended 31st August, 1944

Earnings from Operations after Selling and General Expenses but before deductions enumerated below.....		\$1,870,369.51
Less Depreciation on Buildings and Machinery..		276,648.52
		<u>1,593,720.99</u>
<i>Add:</i>		
Investment Income (Net).....	\$ 321,328.66	
Dividends from wholly owned Subsidiary Companies.....	247,000.00	
Net Profit on Investments Sold.....	39,237.32	
		<u>607,565.98</u>
		2,201,286.97
<i>Deduct:</i>		
Provincial and Municipal Taxes.....	173,761.85	
Legal Expense.....	1,528.60	
Contribution to Benefit Fund.....	30,000.00	
Remuneration of Executive Officers.....	117,704.67	
Remuneration of Directors.....	18,287.70	
		<u>341,282.82</u>
		1,860,004.15
<i>Deduct:</i>		
Provision for estimated Income and Excess Profits Taxes including refundable portion of Excess Profits Tax.....		<u>805,000.00</u>
Net Profit for year, carried to Statement of Earned Surplus.....		<u><u>\$1,055,004.15</u></u>
Statement pursuant to Section 113, The Companies Act, 1934:		
The total remuneration received by Officers and Directors from the Subsidiary Companies amounted to \$15,039.96.		

STATEMENT OF EARNED SURPLUS
For the Year Ended 31st August, 1944

Balance at 31st August, 1943.....		\$3,215,010.19
<i>Add:</i>		
Net Profit for the year, as per Profit and Loss Account.....		<u>1,055,004.15</u>
		4,270,014.34
<i>Deduct:</i>		
Dividends for the year ended 31st August, 1944:		
On Preferred Stock.....	\$140,000.00	
On Common Stock.....	600,000.00	
		<u>740,000.00</u>
Balance as per Balance Sheet.....		<u><u>\$3,530,014.34</u></u>

AUDITORS' CERTIFICATE

OCTOBER 3RD, 1944.

To the Shareholders,

THE OGILVIE FLOUR MILLS COMPANY, Limited

We have audited the books of The Ogilvie Flour Mills Company, Limited, for the year ended 31st August, 1944, and report that we have verified the Cash on hand, the Bank Balances and all Securities; that we have obtained all the information and explanations which we have required; and that, in our opinion, the attached identified Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

In accordance with Section 114 of The Companies Act, 1934, we further report that the profits of the Subsidiary Companies for the year have been included in the attached accounts to the extent of the dividends received by The Ogilvie Flour Mills Company, Limited.

CREAK, CUSHING & HODGSON,

Chartered Accountants,

Auditors.

THE OGILVIE FLOUR MILLS COMPANY, Limited

DIRECTORS, OFFICERS and BRANCH MANAGERS

DIRECTORS

SIR MONTAGU ALLAN, C.V.O.	F. K. MORROW
HON. CHARLES A. DUNNING	H. SELLERS
BEAUDRY LEMAN	SIDNEY T. SMITH
ROSS H. MCMASTER	A. MURRAY VAUGHAN
G. A. MORRIS	MORRIS W. WILSON

OFFICERS

<i>President</i> - - - - -	HON. CHARLES A. DUNNING
<i>Vice-President and General Manager</i> - - - - -	G. A. MORRIS
<i>Assistant General Managers</i> - - - - -	{ H. N. DAVIS H. GROOM
<i>Treasurer</i> - - - - -	J. C. McLAUGHLIN
<i>Secretary</i> - - - - -	H. K. HEPBURN
<i>Assistant Secretary-Treasurer</i> - - - - -	H. CRANFIELD

BRANCH MANAGERS

H. SELLERS, Western Manager, Winnipeg
T. G. CRAWFORD, Division Manager, Toronto
V. W. MACLEAN, Division Manager, Fort William
E. B. FROST, Division Manager, Winnipeg
A. ATKINS, Division Manager, Medicine Hat
C. J. KENT, District Manager, Edmonton

TRANSFER AGENT

THE ROYAL TRUST COMPANY, Montreal

REGISTRAR

MONTREAL TRUST COMPANY, Montreal

