

*The*

# OGILVIE FLOUR MILLS

COMPANY LIMITED



## ANNUAL REPORT

For the Year Ended 31st August

1943

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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

1943

*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, 1943, 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..... \$1,003,982.88 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 Com-		
mon Stock.....	600,000.00	740,000.00

leaving a balance of.....\$ 263,982.88

carried forward to Earned Surplus Account.

Flour and Feed mill production was maintained at a high level throughout the year and would have reached maximum proportions but for shortage of both manpower and certain feed ingredients.

Cereal mill production was less than normal, due to a falling off in the export demand for rolled oats.

Wheat and coarse grain handlings through our country and terminal elevator system, while restricted by transport difficulties, were nevertheless heavy.

Under these conditions, earnings from operations showed a moderate increase.

At the same time charges for depreciation were sharply lower, due to the special write-off of country elevator annexes having been completed a year ago.

These favourable factors, coupled with well-sustained income from investments, resulted in an improvement in total earnings over a year ago of \$311,586.28.

The provision for Income and Excess Profits Taxes, however, was higher than in the previous year by \$120,000.00, reducing the net gain to \$191,586.28.

Working capital increased to the extent of \$661,471.36 after substantial expenditures for Capital Account.

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

Because of constantly changing conditions and the uncertainties of war-time requirements, it is difficult to estimate the future.



It seems likely, however, that the demand for flour and feeds, both for export and domestic markets, will continue to tax our facilities to the utmost for some time to come, and the amount of grain in farmers' hands ensures steady operation of our elevator facilities, provided transport difficulties can be overcome.

Depreciation charges will again be less this year as compared with last, the write-off of the terminal elevator annex at Fort William having been completed during the fiscal year under review.

At the same time it must not be overlooked that the wear and tear on our plants under present operating conditions is very heavy, and deferred maintenance is accumulating rapidly.

Having this in mind, we are proceeding with the next stage in the modernization of our flour milling facilities at Montreal and we hope the completion of this work will not be long delayed after the termination of the war.

Other necessary work to keep our Western Plants in first class operating condition will be undertaken as opportunity offers.

The 1943 wheat crop fell off sharply in quantity by comparison with 1942, but fortunately the quality average is high. Carryover and new crop combined total approximately 900 million bushels—a national asset which will prove to be of great value in providing much needed supplies for the Empire and our Allies in many parts of the world.

The 1943 coarse grains crops were of good average quality and they will be most helpful in maintaining Canada's production of cattle, hogs, dairy products, poultry, etc., at a sufficiently high level to meet the unusual demands being made upon us at this time.

Our own participation in this branch of our national agricultural development in producing large quantities of specialty feeds and balanced rations, is of increasing importance.

A word of sincere appreciation is due to all employees for loyal and efficient services rendered during the past year under difficult circumstances.

The allowances mentioned in previous reports are being continued to those members of the staff, now numbering over two hundred, who are serving in the different branches of the armed forces.

We regret to say that since our last report six of them have given their lives in the performance of their duties. We honour their memories and extend to their relatives our heartfelt sympathy.

Submitted on behalf of the Board,

CHARLES A. DUNNING,

Montreal, November 1st, 1943.

*President.*



# THE OGILVIE FLOUR MILL

## BALANCE SHEET, 1924

### ASSETS

#### CURRENT ASSETS:

Cash.....	\$ 19,043.88
Accounts Receivable, less Reserve.....	2,397,649.89
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.....	7,607,616.82

#### Investments:

Bonds, Preferred and Common Stocks.....	\$2,047,596.27
Shares in and amounts owing by wholly owned Subsidiary Companies (the assets of which consist of marketable securities):	
Shares....	\$ 155,000.00
Amounts owing...	1,569,380.51
	<u>1,724,380.51</u>
	<u>3,771,976.78</u>
	\$13,796,287.37

#### OTHER ASSETS:

Investments in partly owned Subsidiary Companies:	
Shares, less Reserve.....	476,344.03
Amounts owing.....	18,252.28
	<u>494,596.31</u>
Other Investments and Mortgages, less Reserve	613,177.68
Refundable Portion of Excess Profits Tax (Estimated).....	<u>32,000.00</u>
	1,139,773.99

#### DEFERRED CHARGES:

Prepaid Expenses.....	83,563.38
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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.....	8,665,704.05
Less Reserve for Depreciation.....	<u>4,783,272.51</u>
	3,882,431.54

#### GOODWILL, TRADE MARKS, PATENT RIGHTS, ETC.

	<u>1.00</u>
	<u>\$18,902,057.28</u>

\*Fair Market Value \$9,140,000.00.

*Approved on behalf of the Board:*

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

# LS COMPANY, LIMITED

1st AUGUST, 1943

## LIABILITIES

### CURRENT LIABILITIES:

Loans (Secured).....	\$3,898,389.60	
Accounts Payable.....	1,471,225.23	
Amount owing to partly owned Subsidiary Com- pany.....	51,228.64	
Provision for Income and Excess Profits Taxes	549,203.62	
Provision for Dividends Payable.....	185,000.00	
		<u>\$6,155,047.09</u>

### 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..	32,000.00
Earned Surplus:	
Balance as per Statement attached.....	3,215,010.19
	<u>8,247,010.19</u>
	10,747,010.19

### CONTINGENT LIABILITY:

Customers' Sterling Bills under discount.....	<u>\$1,346,982.04</u>
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\$18,902,057.28

*Signed for identification with our certificate of this date.*

CREAK, CUSHING & HODGSON,  
Chartered Accountants,  
Auditors.

MONTREAL, OCTOBER 8TH, 1943.

BALANCE SHEET



**THE OGILVIE FLOUR MILLS COMPANY, Limited**  
**PROFIT AND LOSS ACCOUNT**  
For the Year Ended 31st August, 1943

Earnings from Operations after Selling and General Expenses but before deductions enumerated below.....		\$1,464,424.62
Less Depreciation on Buildings and Machinery including special Depreciation on Terminal Elevator Annex.....		411,189.34
		<u>1,053,235.28</u>
<i>Add:</i>		
Investment Income (Net).....	\$ 325,170.66	
Dividends from wholly owned Subsidiary Companies.....	254,000.00	
Net Profit on Investments Sold.....	148,409.53	
		<u>727,580.19</u>
		1,780,815.47
<i>Deduct:</i>		
Provincial and Municipal Taxes.....	162,943.95	
Legal Expense.....	2,322.97	
Contribution to Benefit Fund.....	30,000.00	
Remuneration of Executive Officers.....	142,653.67	
Remuneration of Directors.....	18,912.00	
		<u>356,832.59</u>
		1,423,982.88
<i>Deduct:</i>		
Provision for estimated Income and Excess Profits Taxes including refundable portion of Excess Profits Tax.....		420,000.00
		<u></u>
Net Profit for year, carried to Statement of Earned Surplus.....		<u><u>\$1,003,982.88</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 \$14,709.30.		

**STATEMENT OF EARNED SURPLUS**

For the Year Ended 31st August, 1943

Balance at 31st August, 1942.....		\$2,951,027.31
<i>Add:</i>		
Net Profit for the year, as per Profit and Loss Account.....		1,003,982.88
		<u>3,955,010.19</u>
<i>Deduct:</i>		
Dividends for the year ended 31st August, 1943:		
On Preferred Stock.....	\$140,000.00	
On Common Stock.....	600,000.00	
		<u>740,000.00</u>
Balance as per Balance Sheet.....		<u><u>\$3,215,010.19</u></u>



# AUDITORS' CERTIFICATE

OCTOBER 8TH, 1943.

*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, 1943, 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.	MR. G. A. MORRIS
MR. R. R. DOBELL	MR. F. K. MORROW
HON. CHARLES A. DUNNING	MR. SIDNEY T. SMITH
MR. BEAUDRY LEMAN	MR. A. MURRAY VAUGHAN
MR. ROSS H. MCMASTER	MR. MORRIS W. WILSON

### OFFICERS

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

### BRANCH MANAGERS

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

### TRANSFER AGENT

THE ROYAL TRUST COMPANY, Montreal

### REGISTRAR

MONTREAL TRUST COMPANY, Montreal





