

The

# OGILVIE FLOUR MILLS

COMPANY LIMITED



## ANNUAL REPORT

For the Year Ended 31st August

1941

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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

1941

*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, 1941, 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.....\$ 769,067.59  
out of which Dividends were paid 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.....\$ 29,067.59

which was carried forward to Earned Surplus Account.

Earnings from operations were considerably greater than during the previous fiscal period, but it was necessary to make much larger deductions for Income and Excess Profits Taxes, also for Depreciation. At the same time, due to increased taxation and the absence of capital gains, dividends from wholly-owned subsidiary companies were substantially reduced. These factors resulted in smaller net profits.

The write-off for Depreciation was heavier than usual for the reason that the period under review included the first full year of operations of the new Coarse Grain Cereals and Feed Mill plant at Montreal, in addition to which special charges were made in connection with temporary grain storage facilities supplementing our country elevator system.

During the crop seasons of 1940 and 1941, having in mind the urgent necessity for increased grain storage facilities, we constructed many temporary elevator annexes in the Provinces of Alberta, Saskatchewan and Manitoba. We also erected a large temporary annex to our terminal elevator at the head of the Lakes. These additions to our elevator system provided five million bushels of extra storage space, and our total grain storage capacity is now approximately fourteen million bushels.

With larger storage facilities, which were utilized to almost maximum capacity, our Inventories were heavier than usual, including wheat purchased for account of the Canadian Wheat Board and financed by us pending delivery at Fort William. This in turn accounts for the increase in Loans.

The volume of export business in both Flour and Rolled Oats was greater than for many years, which had a favourable effect upon the average cost of manufacture. Domestic

volume was well maintained, but conditions in the home markets were highly competitive and unsettled.

Greatly increased distribution of Balanced Rations and Mixed Feeds followed upon the coming into production of the new feed plant at Montreal, and this branch of our business promises well.

The yield of Wheat and Coarse Grains harvested in Canada this season has been much less than was at first expected. As a result of the Government policy of paying bonuses to farmers on acreage diverted from Wheat, the area seeded to this grain was considerably curtailed as compared with a year ago, while the area seeded to Coarse Grains was considerably increased. Early conditions gave promise of abundant harvests for all grains, but as the season progressed all crops suffered in varying degrees in different districts from heat, drought and insects. Finally, excessive rains in many districts seriously damaged grain in stook.

The result was a greatly reduced Wheat crop, with more damaged grain than usual; while Coarse Grains were seriously reduced in quantity and quality.

The net returns to farmers, particularly in those wheat districts having poor yields, were disappointing and in many cases inadequate.

In spite of the fact that much damage was suffered by this year's crops, the milling quality of the wheat harvested before the rains is uniformly high and, with the abundant stocks carried over from the previous year, there will be no shortage of high grade milling wheat to fill the requirements at home and wherever needed throughout the Empire.

It would be unwise under present conditions to make any predictions so far as the future is concerned, but the immediate outlook for a continuation of heavy shipments of Flour for export is not encouraging. In so far as this indicates decreasing damage to milling facilities and stocks in the United Kingdom and favourable developments in the Battle of the Atlantic, we cheerfully accept such reductions in export volume as may be necessary.

It is with keen regret and a deep sense of loss that your Directors record the death of their friend and colleague, the late Sir Herbert Holt, K.B., who served the Company as a Director for over thirty-six years.

The vacancy on the Board has been filled by the appointment of Mr. Ross H. McMaster, who brings to our councils a wide experience in industry and finance.

Your Directors also desire to record their appreciation of the loyalty and devotion with which the Company's best interests have been served by the staff and employees.

Submitted on behalf of the Board.

CHARLES A. DUNNING,  
*President.*

Montreal, November 4th, 1941.

# THE OGILVIE FLOUR MILL

## BALANCE SHEET,

### ASSETS

Cash.....	\$	3,683.37	
Accounts Receivable, less Reserve.....		1,720,399.16	
Stocks on hand of Wheat (including Wheat purchased for account of The Canadian Wheat Board), Flour, 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.....		4,566,118.55	
Investments (Bonds, Preferred and Common Stocks).....	\$	2,308,033.71	
Shares in and amounts owing by wholly owned Subsidiary Companies (the assets of which consist of marketable securities):			
Shares.....	\$	155,000.00	
Amounts owing.....		2,367,469.17	
		2,522,469.17	
(Fair Market Value \$8,522,000.00)			4,830,502.88
<b>TOTAL ACTIVE ASSETS.....</b>			<b>11,120,703.96</b>
Shares in and amounts owing by partly owned Subsidiary Companies:			
Shares, less Reserve.....		476,344.03	
Amounts owing.....		35,409.35	
			511,753.38
Other Investments and Mortgages, less Reserve.....			957,506.54
Real Estate, Developed Water Powers and Mill Plants in Montreal, Fort William, Winnipeg, Medicine Hat and Edmonton; Terminal Elevator at Fort William and Country Elevators in Manitoba, Saskatchewan and Alberta; Property in Ottawa, Toronto, Calgary and Vancouver; Motor Trucks and Office Equipment; at predecessor Company's net book value of 1924 with subsequent additions thereto at cost, less realizations to date.....		7,976,177.12	
Less Reserve for Depreciation.....		4,177,789.12	
			3,798,388.00
Goodwill, Trade Marks, Patent Rights, etc.....			1.00
			<u><u>\$16,388,352.88</u></u>

*Approved on behalf of the Board:*

CHARLES A. DUNNING,  
H. MONTAGU ALLAN,

*Directors.*

# LLS COMPANY, LIMITED

1st AUGUST, 1941

## LIABILITIES

Loans (Secured).....	\$ 2,631,853.52
Accounts Payable.....	882,032.42
Reserve for Taxes.....	310,836.23
Provision for Dividends Payable.....	185,000.00

### TOTAL CURRENT LIABILITIES

4,009,722.17

Preferred Stock: Authorized and Issued: 20,000 Shares of \$100.00 each, seven per cent cumulative.....	2,000,000.00
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### COMMON STOCK AND SURPLUS:

Common Stock: Authorized and Issued: 600,000 Shares of No Par Value.....	\$ 2,500,000.00
Rest Account.....	5,000,000.00
Earned Surplus: Balance as per Statement attached...	2,878,630.71
	10,378,630.71

### Contingent Liability:

Customers' Sterling Bills Under Discount.....	\$ 1,867,604.91
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\$16,388,352.88

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

CREAK, CUSHING & HODGSON,  
Chartered Accountants,  
Auditors.

MONTREAL, OCTOBER 7TH, 1941.

BALANCE SHEET

**THE OGILVIE FLOUR MILLS COMPANY, Limited**  
**PROFIT AND LOSS ACCOUNT**  
For the Year Ended 31st August, 1941

Earnings from Operations after Selling and General Expenses but before deductions enumerated below.....	\$1,017,971.17
Less Depreciation on Buildings and Machinery	323,562.02
	<u>694,409.15</u>
<i>Add:</i>	
Investment Income (Net).....	\$329,342.02
Dividends from wholly owned Subsidiary Companies.....	289,000.00
Net Profit on Investments sold.....	16,334.84
	<u>634,676.86</u>
	1,329,086.01
<i>Deduct:—</i>	
Provincial and Municipal Taxes.....	159,299.83
Legal Expense.....	3,663.49
Contribution to Benefit Fund.....	25,000.00
Remuneration of Executive Officers.....	112,888.44
Remuneration of Directors.....	19,166.66
	<u>320,018.42</u>
	1,009,067.59
<i>Deduct:—</i>	
Provision for Income and Excess Profits Taxes.	240,000.00
	<u>769,067.59</u>
Net Profit for year, carried to Statement of Earned Surplus.....	<u>\$ 769,067.59</u>
Statement pursuant to Section 113, The Companies Act, 1934:	
The total remuneration received by Officers and Directors from the Subsidiary Companies amounted to \$12,739.96.	

**STATEMENT OF EARNED SURPLUS**

For the Year Ended 31st August, 1941

Balance at 31st August, 1940.....	\$2,933,134.93
<i>Deduct:—</i>	
Adjustment of Dominion Income Tax applicable to prior years.....	83,571.81
	<u>2,849,563.12</u>
<i>Add:—</i>	
Net Profit for the year, as per Profit and Loss Account.....	769,067.59
	<u>3,618,630.71</u>
<i>Deduct:—</i>	
Dividends for the year ended 31st August, 1941:	
On Preferred Stock.....	\$140,000.00
On Common Stock.....	600,000.00
	<u>740,000.00</u>
Balance as per Balance Sheet.....	<u>\$2,878,630.71</u>

# AUDITORS' CERTIFICATE

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OCTOBER 7TH, 1941.

*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, 1941, 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. ROSS H. McMASTER
MR. R. R. DOBELL	MR. G. A. MORRIS
HON. CHARLES A. DUNNING	MR. F. K. MORROW
MR. ELWOOD B. HOSMER	MR. SIDNEY T. SMITH
MR. BEAUDRY LEMAN	MR. M. 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. E. B. FROST, Manager, Winnipeg
MR. V. W. MACLEAN, Manager, Fort William
MR. A. ATKINS, Manager, Medicine Hat
MR. E. G. ELLERTON, Assistant Manager, Edmonton

### TRANSFER AGENT

THE ROYAL TRUST COMPANY, Montreal

### REGISTRAR

MONTREAL TRUST COMPANY, Montreal



