

The  
St. Lawrence Flour Mills Co.  
Limited



ANNUAL STATEMENT  
1947

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MCGILL UNIVERSITY



## Directors

+

President and Managing Director

D. A. CAMPBELL

Vice-President

G. W. GRIER

R. E. CHADWICK

J. H. LABELLE

G. C. DEEKS

W. A. MURPHY

C. E. GRAVEL

A. G. WATSON

+

General Manager

N. S. VERITY

Sec.-Treasurer

J. P. YEUDALL

Comptroller

C. K. ANDERSON

## Directors Report to the Shareholders



Your Directors submit herewith Financial Statement of the Company's affairs as at August 31st, 1947, together with the Auditor's Certificate with respect thereto.

The net operating profits for the year, including revenue from investments, amount to \$406,604.21, (increase of \$36,217.22). After deducting Directors' Fees, Officers' Remuneration, Legal Fees, Bond Interest, Depreciation and Taxes, there remains a net profit of \$163,524.13 (increase \$5,352.59).

Unlike practically all other industries, Canadian mills have remained subject to an arrangement equivalent to a full 100% Excess Profits Tax on their flour milling operations. This unequal situation, which has meant for some years confining the mills to a very meagre return on vastly increasing valuation of new and old productive property, terminated as at September 15th, 1947. At this date flour ceilings were also removed. Your Company is now freed from a situation under which flour was actually sold in the domestic market at a loss, under a rigid ceiling price, which was retained in the face of increases in wages, expenses, containers, freights, and many other items.

Your Directors now, therefore, feel that even with moderately lessened operations, due to a short crop of wheat, earnings for the ensuing year should show a decided improvement.

As at March 1, 1947, the issue of \$400,000.00 3½% bonds, due 1955, was called in for payment, and a new issue of \$750,000.00 2¾% bonds, due March 1, 1957, was sold at par. The completion of this financing brings the working capital of the Company, exclusive of prepaid items and investments of a more or less liquid nature, to \$1,562,126.75.

A new all-time record was created for Canadian flour exports for the year ended August 31st, 1947. In this period a total of 17,228,485 barrels of Canadian flour moved abroad.

During the year the regular dividends on the Preferred shares of the Company, at the rate of 7% per annum, have been paid; in addition the quarterly dividends of 40c. per share on the common shares have been paid.

The Directors again take advantage of the opportunity to express their gratitude to the Company's employees for their loyal services throughout another difficult year.

On behalf of the Board,

D. A. CAMPBELL,  
President.

# The St. Lawrence F

Balance Sheet as

## ASSETS

### Current:

Cash on hand and in bank.....	\$	3,500.00	
Dominion of Canada Bonds (Market Value \$732,375.00).....		734,125.00	
Bills and Notes Receivable.....		157,080.06	
Accounts Receivable Trade—less Reserve....		307,489.77	
Accounts Receivable Other—less Reserve....		421,996.91	
Inventories of Wheat, Flour and Feed and Milling Supplies valued by the Management as follows:			
Wheat—valued on basis of flour sales contracts for future delivery on hand at 3 1st August, 1947... \$705,609.07			
Flour and Feed and Milling Supplies—valued at cost or market whichever the lower.....	532,146.63	1,237,755.70	
Accrued Interest on Investments.....		1,515.00	\$2,863,462.44
Prepaid Taxes, Insurance and Pension Premiums.....			28,570.28
Investments:			
Industrial Bonds, Mortgages and Grain Exchange Seat.....			116,725.00
Investments in and Advances to Subsidiary Companies:			
Investments.....		124,156.54	
Advance.....		12,334.97	136,491.51
Fixed:			
Land—at cost.....		133,109.40	
Buildings and Machinery... * 1,421,614.37			
Less: Reserve for Depreciation.....	698,245.41	723,368.96	
Motors—at cost, less Depreciation.....		20,577.23	
Office Furniture—at cost less Depreciation..		1,000.00	
Other Real Estate—at cost... 15,609.89			
Less: Reserve for Depreciation.....	8,513.40	7,096.49	885,152.08
Goodwill, Trademarks, etc.....			1.00
			<u>\$4,030,402.31</u>

\*Appraisal value at 2nd October, 1925, per Canadian Appraisal Company plus net additions to date.

Approved on behalf of the Board:

D. A. CAMPBELL, Director.

G. W. GRIER, Director.

# ur Mills Co. Limited

31st August, 1947

## LIABILITIES

### Current:

Bank Overdraft.....	\$ 103,767.92	
Bank Loan (Secured).....	660,000.00	
Accounts Payable.....	258,530.56	
Loans.....	184,040.91	
Due to Subsidiary Company.....	45,975.43	
Provision for Income and Excess Profits Taxes less interim payments.....	49,020.87	
		<u>\$1,301,335.69</u>

Reserve against Future Depreciation of Inventory Values..... 105,600.00

### First Mortgage Bonds, 2½% maturing 1st March, 1957:

Authorized.....	<u>\$1,000,000.00</u>	
Issued.....		750,000.00

### Capital Stock:

#### 7% Cumulative Preferred:

Authorized—6,000 shares, \$100.00 Par Value	
Issued—5,750 shares.....	\$575,000.00
Redeemed—215 shares... ..	<u>21,500.00</u>
Outstanding—5,535 shares.....	553,500.00

#### Common:

Authorized—50,000 shares no par value.	
Issued—47,857 shares no par value....	<u>554,344.71</u>
	1,107,844.71

Capital Surplus resulting from Redemption of Preferred Shares... 21,500.00

Earned Surplus..... 744,121.91

\$4,030,402.31

### Contingent Liability:

Guarantee of both dividends and capital in respect of \$41,500.00 4½% Redeemable Preferred Shares of a Subsidiary Company which were outstanding in the hands of the public at 31st August, 1947.

Submitted with our Report dated 10th October, 1947.

Montreal, Que.

P. S. ROSS & SONS,  
Chartered Accountants.

# The St. Lawrence Flour Mills Co. Limited

## Profit and Loss Account for year ended 31st August, 1947

Net Operating Profit.....		\$395,997.59
Revenue from Investments.....		10,606.62
		<u>406,604.21</u>
Deduct:		
Directors' Fees.....	\$ 5,050.00	
Officers' Remuneration.....	54,365.60	
Legal Fees.....	927.64	
Bond Interest.....	17,242.18	
Provision for Depreciation on Buildings and Machinery.....	74,570.71	
Provision for Income and Excess Profits Taxes..... *	90,923.95	
		<u>243,080.08</u>
Profit for the year transferred to Earned Surplus Account.....		<u>\$163,524.13</u>

\*In calculating the provision for Excess Profits Tax for the year ended 31st August, 1947, an allowance of \$26,525.80 has been made for a reserve against future depreciation of inventory values in accordance with Section 6 (1) (b) of the Excess Profits Tax Act.

## Earned Surplus Account as at 31st August, 1947

Balance at credit—31st August, 1946.....		\$677,658.58
Add:		
Profit on Sale of Fixed Assets.....	\$ 2,122.06	
Reserve for Contingencies transferred.....	30,000.00	
		<u>32,122.06</u>
		709,780.64
Deduct:		
Premium on Redemption of 3½% First Mortgage Bonds.....	13,866.66	
		<u>695,913.98</u>
Add:		
Net Profit for the year.....	163,524.13	
		<u>859,438.11</u>
Deduct:		
Dividends—Preferred.....	38,745.00	
—Common.....	76,571.20	
		<u>115,316.20</u>
Balance at credit—31st August, 1947.....		<u>\$744,121.91</u>



## Auditors' Report



The St. Lawrence Flour Mills Company Limited,  
Montreal.

We have made an examination of the accounts of the St. Lawrence Flour Mills Company Limited for the year ended 31st August, 1947, and have obtained all the information and explanations we have required.

The profits of subsidiary companies are reflected in the attached statements only to extent of dividends received during the year.

In our opinion, the attached Balance Sheet and relative Profit and Loss and Surplus Accounts are properly drawn up so as to exhibit a true and correct view of the Company's financial position as at 31st August, 1947, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,  
Chartered Accountants.

10th October, 1947.

The  
St. Lawrence Flour Mills Co.  
Limited

MILLERS OF THE FOLLOWING  
FAMOUS BRANDS OF FLOUR

REGAL



FLEUR DE LIS



DAILY BREAD



ST. LAURENT



NUTRITIA

(Whole Wheat)

ALSO MANUFACTURERS OF  
ST. LAWRENCE RATION  
FEEDS

## List of Agents

JAMES ALLEN & CO. (BELFAST) LTD.....	Belfast, Ireland.
FENNELL SPENCE & CO.....	Liverpool 3, England.
MARDORF PEACH & CO. LTD.....	London E.C. 3, England.
McCONNELL & REID LTD.....	Glasgow, Scotland.
SIDNEY SMITH LTD. (Bristol Agency).....	London E.C. 3, England.
DAVID MALONE.....	Dublin, Eire.
GRIPPELING & VERKLEY.....	Amsterdam, Holland.
LEJOS OY.....	Helsinki, Finland.
A/S MERCATOR.....	Oslo, Norway.
W. I. ABBOTT.....	Kingstown, St. Vincent, B.W.I.
BOOKER BROS. McCONNELL & CO.....	Georgetown, Demerara, B.G.
CHRISTOFILIS BROS.....	Nassau, Bahamas, B.W.I.
EMILE S. DELISLE.....	St. Kitts, B.W.I.
GORDON GRANT & CO. LTD.....	Port of Spain, Trinidad, B.W.I.
H. D. HOPWOOD & CO. LTD.....	Kingston, Jamaica, B.W.I.
H. JASON JONES & CO. LTD.....	Bridgetown, Barbados, B.W.I.
JOHNSON & COOPER LTD.....	Hamilton, Bermuda.
STEPHEN R. MENDES LTD.....	St. John's, Antigua, B.W.I.
R. K. MILNE & SON.....	St. George's, Grenada, B.W.I.
MINVIELLE & CHASTANET LTD.....	St. Lucia, B.W.I.
A. DE MATTEIS & CO.....	Port-Au-Prince, Haiti, B.W.I.
JUAN FRANCISCO GOMEZ.....	Caracas, Venezuela.
WM. CAMPBELL LTD.....	St. John's, Nfld.
J. P. HALIBURTON & CO. LTD.....	St. John's, Nfld.

