

Stack

The
St. Lawrence Flour Mills Co.
Limited



ANNUAL STATEMENT
1949

FURVIE HALL
PURVIS LIBRARIES
NOV 18 1949
MCGILL UNIVERSITY

Directors and Officers

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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

Asst. General Manager
J. P. YEUDALL

Sec.-Treasurer
C. K. ANDERSON

General Sales Manager
R. C. ALLEN

Directors Report to the Shareholders

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Your Directors herewith submit the Financial Statement of the affairs of the Company as at August 31st, 1949, together with the Auditor's Certificate in connection therewith.

The net operating profits for the year, including revenue from investments, amount to \$353,369.89 (a decrease of \$135,713.86). After deducting Directors Fees, Officers Remuneration, Legal Fees, Bond Interest, Depreciation and all taxes, there remains a net profit of \$122,904.07 (decrease of \$63,344.83). The working capital now stands at \$1,657,044.95, an increase for the year of \$60,652.03.

The year has been one during which the keenest competition existed for domestic sales due to the desire to maintain volume in face of a serious shrinkage in export volume. The Company's domestic sales have been well maintained, but the serious shrinkage of export volume, which is common to all Canadian mills, has resulted in materially reduced earnings.

Exports of Canadian Flour for the year amounted to 10,760,519 barrels, a shrinkage of 2,533,036 barrels from the previous year.

The industry is adjusting itself to the inevitable loss of British purchases, and is finding certain new markets to replace this lost volume in Britain.

The following figures show the distribution of the Company's revenue dollar, as compared with the previous year's figures.

	1948	1949
Wheat, Feed and Supplies.....	89.8	89.3
Wages and Salaries.....	4.6	5.3
Selling and Delivery Expenses.....	1.2	1.2
Depreciation and Insurance.....	1.0	1.1
Administrative and Financial Expenses.....	.9	1.3
Taxes.....	1.1	.7
Dividends.....	.9	1.0
Net Profits Retained.....	.5	.1
	<u>1.00</u>	<u>1.00</u>

Note increases in costs and decrease in Net Profits retained.

A further increase during the year was made in wages, more or less justified by rising costs of living. To effectively compete with foreign mills, where wages and all other costs of operation are presently much less than in Canada, it will be necessary, sooner or later, to reduce all costs or step out of the export field.

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

The Directors desire to take this opportunity of expressing their thanks and appreciation for the good and loyal services of the employees of the Company.

On behalf of the Board,

D. A. CAMPBELL,
President.

The St. Lawrence Fl

Balance Sheet as at

ASSETS

Current:

Cash on Hand and in Bank.....	\$	3,790.93	
Bills and Notes Receivable.....		171,188.44	
Accounts Receivable Trade—less Reserve.....		687,575.06	
Accounts Receivable Other—less Reserve.....		82,036.52	
Accounts Receivable—Subsidiary Company.....		42,257.99	
Inventory 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 31st August, 1949.....	\$	637,241.32	
Flour and Feed and Milling Supplies valued at cost or market whichever the lower.....		485,230.81	
		1,122,472.13	
Accrued interest on investments.....		1,026.00	\$2,110,347.07
Prepaid Taxes, Insurance and Pension Premiums.....			32,112.42
Investments:			
Industrial Bonds, Mortgages and Grain Exchange Seat.....			143,150.00
Investments in and Advances to Subsidiary Companies:			
Investments.....		136,531.54	
Advance.....		30,180.81	166,712.35
Fixed:			
Land—at cost.....		130,359.40	
Buildings and Machinery.....	*	1,505,195.40	
Less: Reserve for Depreciation.....		884,400.73	620,794.67
Motors—at cost less Depreciation.....		39,459.34	
Office Furniture—at cost less Depreciation.....		1,000.00	
Other Real Estate—at cost.....		15,609.89	
Less: Reserve for Depreciation.....		9,929.63	5,680.26
			797,293.67
Goodwill, Trademarks, etc.....			1.00
			<u>\$3,249,616.51</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.

Miller Mills Co. Limited

31st August, 1949

LIABILITIES

Current:

Bank Overdraft (Secured).....	\$ 223,833.47	
Bank Loan (Secured).....	10,000.00	
Accounts Payable.....	190,524.89	
Provision for Income Tax.....	<u>28,888.76</u>	\$ 453,302.12

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.....		916,969.68

\$3,249,616.51

Contingent Liability:

Guarantee of both dividends and capital in respect of \$26,500.00 4½% Redeemable Preferred Shares of a Subsidiary Company which were outstanding in the hands of the public at 31st August, 1949.

Submitted with our Report dated 17th October, 1949.

Montreal, Que.

P. S. ROSS & SONS,
Chartered Accountants.

The St. Lawrence Flour Mills Co. Limited

Profit and Loss Account for year ended 31st August, 1949

Net Operating Profit	\$ 326,638.56	
Revenue from Investments		26,731.33
		<u>353,369.89</u>
Deduct:		
Directors' Fees	\$ 4,750.00	
Officers' Remuneration	52,448.50	
Legal Fees	114.00	
Bond Interest	20,625.00	
Provision for Depreciation on Buildings and Machinery	92,518.87	
Provision for Income Tax	60,009.45	
		<u>230,465.82</u>
Profit for the year transferred to Earned Surplus Account	\$ 122,904.07	<u><u>122,904.07</u></u>

Earned Surplus Account as at 31st August, 1949

Balance at credit 31st August, 1948	\$911,881.75	
Deduct:		
Net loss on Fixed Assets sold	2,499.94	
		<u>909,381.81</u>
Add:		
Net Profit for the year	122,904.07	
		<u>1,032,285.88</u>
Deduct:		
Dividends—Preferred	\$38,745.00	
Common	76,571.20	
		<u>115,316.20</u>
Balance at credit 31st August, 1949	\$916,969.68	<u><u>916,969.68</u></u>

Auditors' Report

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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, 1949, 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, 1949, 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.

17th October, 1949.

The
St. Lawrence Flour Mills Co.
Limited

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MILLERS OF THE FOLLOWING
FAMOUS BRANDS OF FLOUR

-⊕-

R E G A L

-⊕-

FLEUR DE LIS

-⊕-

DAILY BREAD

-⊕-

ST. LAURENT

-⊕-

NUTRITIA
(Whole Wheat)

-⊕-

ALSO MANUFACTURERS OF
ST. LAWRENCE RATION
FEEDS

List of Agents

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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 O/Y	Helsinki, Finland.
A/S MERCATOR	Oslo, Norway.
H. A. MOLLER	Copenhagen V, Denmark.
W. J. 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, W.I.
JUAN FRANCISCO GOMEZ	Caracas, Venezuela.
JUAN ALEMAN PEREZ, V.P. HARINERA MOLINON	Havana, Cuba.
FAGUNDES SUCENA & CIA.	Sao Paulo, Brazil.
REPRESENTACIONES SASSO, LTDA.	San Jose, Costa Rica, C.A. (Mr. A. Ch. Sasso, Man.)
LEAO DE FARIA & CA.	Funchal, Madeira.
WM. CAMPBELL LTD.	St. John's, Nfld.
J. P. HALIBURTON & CO. LTD.	St. John's, Nfld.

