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The
St. Lawrence Flour Mills Co.
Limited



ANNUAL STATEMENT
1951

FOR ALL
LIBRARIES

NOV 10 1951

McGILL UNIVERSITY

Directors and Officers

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President

G. W. GRIER

Vice-President

G. C. DEEKS

R. E. CHADWICK

W. A. MURPHY

C. E. GRAVEL

A. G. WATSON

GERALD G. RYAN, O.B.E.

Director and General Manager

N. S. VERITY

Asst. General Manager

J. P. YEUDALL

Sec.-Treasurer

H. G. BROWNE

Directors Report to the Shareholders

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Your Directors submit herewith the Financial Statements of The St. Lawrence Flour Mills Company Limited for the fiscal year ended August 31st, 1951, together with the Auditor's Report.

The net operating profit for the year amounted to \$219,209.51 compared with \$158,881.81 earned in the preceding year (an increase of \$60,327.70). After taking into account a reduced amount of Revenue from Investments, the increase for the year amounted to \$37,345.39.

After deducting Directors' Fees, Officers' Remuneration, Legal Fees, Bond Interest, Depreciation and Income Tax there remains a profit of \$87,662.60 (an increase of \$24,383.81).

The working capital as at August 31st, 1951, was \$1,395,282.89, being a decrease of \$285,660.95 as compared with August 31st, 1950. This decrease resulted largely from capital expenditure, viz. additions to Company and subsidiary properties, along with redemption of 370 shares of the Company's Preferred stock.

Milling operations continued at a high rate throughout most of the year. Both domestic and export sales showed substantial increases over the preceding year. The increased volume, however, was largely counter-balanced by difficulties experienced in milling operations arising from the poor quality of last year's wheat crop. This resulted in considerably lower yields of flour. In addition we had to contend with increased wages and rising costs.

The following figures show the distribution of the Company's Revenue Dollar as compared with the previous year.

	1950	1951
Wheat, Feed and Supplies.....	91.3c	91.0c
Wages and Salaries.....	4.9	5.0
Selling and Delivery Expenses.....	1.5	1.5
Depreciation and Insurance.....	.9	.6
Administrative and Financial Expense.....	.6	.7
Taxes.....	.2	.5
Dividends.....	.9	.7
Net Profits retained.....	-.3	-
	<hr/>	<hr/>
	\$1.00	\$1.00

At the date of writing, harvesting of the 1951 crop has not been completed. It is anticipated that the quality of this year's crop will be improved but yields are an unknown factor and may result in continued operating difficulties.

All dealings between the Company and the Union have been cordial.

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 quarterly dividends of 25c. 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.

We wish to record with deep regret the death of Mr. J. H. Labelle, in February of this year. Mr. Labelle had been a Director of the Company since April, 1931, and his loss will be greatly felt by those who were closely associated with him in directing the affairs of the Company.

To fill the vacancy created by Mr. Labelle's death, Mr. Gerald G. Ryan, O.B.E., of Montreal, was appointed a Director.

Respectfully submitted on behalf of the Board,

GEO. W. GRIER,
President.

The St. Lawrence Flour Mills Company

Balance Sheet as at 31st August, 1951

ASSETS

Current:

Cash on Hand and in Bank	\$ 8,521.75	
Accounts and Bills Receivable Trade—less Reserve	1,263,268.78	
Accounts Receivable Other—less Reserve ..	171,037.98	
Account Receivable—Subsidiary Company..	34,825.28	
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, 1951	\$854,410.87	
Flour and Feed and Milling Supplies valued at cost or market whichever was lower	800,221.29	
	<u>1,654,632.16</u>	\$3,132,285.95

Prepaid Expenses, Taxes, Insurance and Pension Premiums..... 44,628.66

Investments:

Industrial Bonds, Mortgages and Grain Exchange Securities..... 160,115.41

Investments in and Advances to Subsidiary Companies:

Investments	\$116,890.04	
Advance	171,363.10	
	<u>288,253.14</u>	

Fixed:

Land—at cost	130,359.40	
Buildings and Machinery	*1,635,152.92	
Less: Reserve for Depreciation	990,533.61	
	<u>644,619.31</u>	
Motors—at cost less Depreciation	48,144.51	
Office Furniture—at cost less Depreciation ..	5,101.70	
Other Real Estate—at cost	500.00	
	<u>828,724.92</u>	

Goodwill, Trademarks, etc..... 1.00

\$4,454,009.08

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

Signed on behalf of the Board:

GEO. W. GRIER, Director.

G. C. DEEKS, Director.

ur Mills Co. Limited

31st August, 1951

LIABILITIES

Current:

Bank Indebtedness (Secured).....	\$1,557,133.17	
Accounts Payable.....	154,570.29	
Provision for Income and Other Taxes.....	25,299.60	
	<u> </u>	\$1,737,003.06

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—585 shares... 58,500.00

Outstanding—5,165 shares..... 516,500.00

Common—

Authorized—50,000 shares, no par value

Issued—47,857 shares..... 554,344.71

1,070,844.71

Capital Surplus resulting from Redemption of Preferred Shares... 58,500.00

Earned Surplus..... 837,661.31

\$4,454,009.08

Contingent Liability:

Guarantee of both dividends and capital in respect of \$11,500.00 4½% Redeemable Preferred Shares of a Subsidiary Company which were outstanding in the hands of the public at 31st August, 1951.

Submitted with our Report dated 11th October, 1951.

Montreal, Que.

P. S. ROSS & SONS,
Chartered Accountants.

The St. Lawrence Flour Mills Co. Limited

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Profit and Loss Account year ended 31st August, 1951

Net Operating Profit.....		\$219,209.51
Revenue from Investments.....		32,040.52
		<u>251,250.03</u>
Deduct:		
Directors' Fees.....	\$ 5,175.00	
Officers' Remuneration.....	43,707.19	
Legal Fees.....	435.38	
Bond Interest.....	20,625.00	
Provision for Depreciation.....	57,644.86	
Provision for Income Taxes.....	36,000.00	
		<u>163,587.43</u>
Profit for the year transferred to Earned Surplus Account.....		<u><u>\$87,662.60</u></u>

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Earned Surplus Account as at 31st August, 1951

Balance at credit 31st August, 1950.....		\$881,275.71
Add:		
Profit for the year.....		87,662.60
		<u>968,938.31</u>
Deduct:		
Dividends—Preferred.....	\$37,170.00	
Common.....	47,857.00	
		\$85,027.00
Transfer to Capital Surplus resulting from Redemption of Preferred Shares.....		37,000.00
Premium Paid on Redemption of Preferred Shares.....		9,250.00
		<u>131,277.00</u>
Balance at credit—31st August, 1951.....		<u><u>\$837,661.31</u></u>

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Capital Surplus from Redemption of Preferred Stock

Balance at credit 31st August, 1950.....		\$21,500.00
Add:		
Transfer from Earned Surplus Account.....		37,000.00
Balance at credit 31st August, 1951.....		<u><u>\$58,500.00</u></u>

Auditors' Report

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The St. Lawrence Flour Mills Company Limited,
Montreal.

We have examined the balance sheet of The St. Lawrence Flour Mills Company Limited as at 31st August, 1951, and the related profit and loss and surplus accounts for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The amount included by the Company as income from subsidiaries exceeded profits of subsidiaries by \$1,926.57, representing the amount paid out of profits earned since date of acquisition.

In our opinion the accompanying balance sheet and related profit and loss and surplus accounts are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at 31st August, 1951, and the result of its operations for the year ended on that date, 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.

11th October, 1951.

The
St. Lawrence Flour Mills Co.
Limited

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MILLERS OF THE FOLLOWING
FAMOUS BRANDS OF FLOUR

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REGAL

-⊕-

FLEUR DE LIS

-⊕-

DAILY BREAD

-⊕-

ST. LAURENT

-⊕-

NUTRITIA
(Whole Wheat)

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ALSO MANUFACTURERS OF
ST. LAWRENCE ANIMAL AND
POULTRY FEEDS

List of Agents

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JAMES ALLEN & CO. (BELFAST) LTD.....	Belfast, Ireland.
FENNELL SPENCE & CO.....	Liverpool, England.
MARDORF PEACH & CO. LTD.....	London, England.
McCONNELL & REID LTD.....	Glasgow, Scotland.
SIDNEY SMITH LTD. (Bristol Agency).....	London, 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.
COMISA COMMERCIO INTERNAZIONALE, S. P. A.....	Rome, Italy.
W. J. ABBOTT.....	Kingstown, St. Vincent, B.W. I.
BRITISH CARIBBEAN AGENCIES LTD.....	Georgetown, Demerara, B.G.
CHRISTOFILIS BROS.....	Nassau, Bahamas, B.W. I.
EMILE S. DELISLE.....	St. Kitts, B.W. I.
L. C. FLEMING.....	St. Martin, F.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.
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.
H. S. ROONEY & CO. LTD.....	St. John's, Nfld.
J. P. HALIBURTON & CO. LTD.....	St. John's, Nfld.

