

Stock

The
St. Lawrence Flour Mills Co.
Limited



ANNUAL STATEMENT
1952

PURVIS HALL
LIBRARIES

DEC 3 1952

Directors and Officers

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President

P. M. PETERSEN

Vice-President and General Manager

N. S. VERITY

H. E. HOWLETT

A. B. DYGERT

W. G. McLAUGHLIN

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 Statement of The St. Lawrence Flour Mills Co. Limited for the fiscal year ended August 31st, 1952 together with the Auditor's Report.

The net loss for the year was \$53,218.86, after taking into account a credit of \$32,917.68, covering income tax refunds. This compares with a profit of \$87,662.60 for the previous year, (a decrease of \$140,881.46).

The working capital as at August 31st, 1952, was \$1,183,703.23 being a decrease of \$211,579.66 as compared with August 31st, 1951.

Competition during the year was increasingly severe, resulting in a net operating loss for the year.

Two dividends of .25c. each were declared and paid on the common shares of the Company on November 1st, 1951 and February 1st, 1952. However in view of the poor results later in the year the Directors decided to discontinue payments of dividends on the Common shares. A dividend of 7% on the Preferred shares of the Company has been paid for this year even though not earned.

While a record wheat crop has been harvested in Canada this fall, protein in the wheat is lower than it has been for a good many years. This is presenting a real problem so far as profitable operations for the current fiscal year are concerned.

The Directors want to take this opportunity of expressing their sincere appreciation for the loyal services given by the employees during the year under the difficult conditions which existed.

During the year the Directors of the Company, with the exception of N. S. Verity, resigned and P. M. Petersen, A. B. Dygert, W. G. McLaughlin and H. E. Howlett, were elected to fill the vacancies.

Respectfully submitted on behalf of the Board,

P. M. PETERSEN,
President.

Auditors' Report

Under the provisions of The Companies Act 1934 (Canada)

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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 of August 31, 1952 and the statements of profit and loss and earned surplus 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 the accounting records and other supporting evidence as we considered necessary in the circumstances.

In accordance with the provisions of Section 114 of The Companies Act 1934 (Canada), we have to report that, in arriving at the net loss of the Company for the year ended August 31, 1952, the company's share of the profits of two subsidiaries have not been taken into account.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at August 31, 1952 and the results 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.

Peat, Marwick, Mitchell & Co.,
Chartered Accountants.

Montreal, Quebec.,
November 25, 1952.

The St. Lawrence F

Balance Sheet as

ASSETS

Current assets:

Cash.....	\$ 8,818.35
Accounts receivable, less allowance for doubtful receivables \$84,184.71.....	1,083,986.97
Freight and other claims, less allowance for doubtful claims \$7,500.00.....	120,290.48
Accrued earnings.....	16,407.44
Refundable income taxes, estimated.....	31,560.63
Advances on grain purchases, etc.....	5,225.00

Inventories:

Grain, including wheat held for account of The Canadian Wheat Board, at replacement market.....	\$ 975,018.67
Flour, cereals, millfeeds, etc., based on replacement market prices of grain and feed.....	243,458.68
Prepared feeds, ingredients, etc., at the lower of cost (first-in, first-out) or replacement market.....	222,160.01
Packages, at replacement market.....	63,280.29
Miscellaneous supplies, at cost (first-in, first-out).....	25,327.53
	<u>1,529,245.18</u>
Deduct adjustment of hedging operations to market.....	422.13
	<u>1,528,823.05</u>
Prepaid expenses.....	31,913.81
Total current assets.....	<u>2,827,025.73</u>

Investment in, and advances to, subsidiaries, at cost:

Investment.....	116,890.04
Advances.....	298,752.68
	<u>415,642.72</u>

Miscellaneous advances and investments, at cost..... 167,829.95

Due from employees..... 9,231.95

Property and plant, less depreciation:

Land, at cost.....	130,859.40
Buildings and equipment (note 1).....	1,757,094.90
	<u>1,887,954.30</u>
Less allowance for depreciation (note 1).....	1,060,659.49
	<u>827,294.81</u>

Goodwill..... 1.00

\$4,247,026.16

Signed on behalf of the Board:

P. M. PETERSEN, Director.
N. S. VERITY, Director.

ur Mills Co. Limited

31st August, 1952

LIABILITIES

Current liabilities:

Bank loan and overdraft	\$1,446,475.78
Accounts payable	127,840.68

Accrued liabilities:

Taxes (including income taxes), estimated. \$ 10,546.60	
Commission, payroll, storage, etc.	15,475.70
	<u>26,022.30</u>

Due to affiliated company	42,983.74
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Total current liabilities	<u>1,643,322.50</u>
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2¾% long-term unsecured bonds payable on March 1, 1957. Authorized \$1,000,000.00; issued.	750,000.00
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Capital stock and surplus:

7% cumulative preferred shares of \$100.00 par value per share. Authorized 6,000 shares; issued 5,750 shares of which 585 shares have been redeemed, leaving outstanding 5,165 shares	516,500.00
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Common shares without par value. Authorized 50,000 shares; outstanding 47,857 shares at stated value	554,344.71
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Capital surplus (transferred from earned surplus upon redemption of preferred shares) (no change during the year)	58,500.00
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Earned surplus	<u>724,358.95</u>
	1,853,703.66

\$4,247,026.16

See accompanying Notes to Balance Sheet.

The St. Lawrence Flour Mills Co. Limited

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Statement of Profit and Loss

Year ended August 31, 1952

Earnings from operations before providing for the charges shown below.....		\$ 59,147.26
Interest and dividend income.....		20,712.16
		<u>79,859.42</u>
Deduct:		
Directors' fees and expenses.....	\$ 5,161.96	
Officers' remuneration.....	41,000.03	
Interest paid on bonds.....	20,625.00	
Other interest paid.....	45,145.94	
Depreciation.....	54,063.03	
		<u>165,995.96</u>
Loss before credit for income taxes.....		86,136.54
Credit for income taxes, estimated:		
Refundable income taxes under carry-back provisions of law.....	31,560.63	
Adjustment for overprovision in prior years....	1,357.05	
		<u>32,917.68</u>
Net loss for the year.....		<u>\$ 53,218.86</u>

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Statement of Earned Surplus

Year ended August 31, 1952

Balance at beginning of year.....		\$837,661.31
Net loss for the year.....		53,218.86
		<u>784,442.45</u>
Deduct dividends declared:		
On 7% cumulative preferred shares—\$7.00 per share.....	\$36,155.00	
On common shares—\$.50 per share.....	23,928.50	
		<u>60,083.50</u>
Balance at end of year.....		<u>\$724,358.95</u>

Notes to Balance Sheet

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1. The amount of the buildings and equipment represents reproduction cost per appraisal at October 2, 1925 plus subsequent additions at cost. The allowance for depreciation includes accrued depreciation as determined by the appraisal.
2. The company has guaranteed both dividends and capital in respect of \$4,000.00 4½% redeemable preferred shares of a subsidiary which were outstanding in the hands of the public at August 31, 1952.
3. Under the terms of agreements entered into by the parent company, International Milling Company, relating to long-term notes payable, among other conditions, restrictions are placed on stock payments (dividends, stock purchases, etc., as defined in the agreements) by the parent company or its subsidiaries to anyone other than the parent company or its subsidiaries.

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)

-⊕-

ALSO MANUFACTURERS OF
ST. LAWRENCE ANIMAL AND
POULTRY FEEDS

List of Agents

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JAMES ALLEN & CO. (BELFAST) LTD.....	Belfast, Ireland.
FENNEL 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.....	
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.

