

The  
St. Lawrence Flour Mills Company,  
Limited



ANNUAL STATEMENT  
1954

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McGILL UNIVERSITY



## Directors and Officers

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President

P. M. PETERSEN

Vice-President

W. J. KENNEDY

H. E. HOWLETT

H. J. MULANER

W. G. McLAUGHLIN

Sec.-Treasurer

W. G. PASCOE

## 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 31, 1954, together with the auditor's report.

The net profit for the year was \$97,102.04 compared with a net profit of \$80,680.85 for the previous year. Dividends aggregating seven percent on the preferred shares of the Company were paid during the year, but no dividend was paid on the common shares.

During the past fiscal year total flour mill production of all Canadian mills was approximately fifteen percent less than the previous year, resulting in highly competitive conditions in the industry for the reduced volume of available business. It appears likely that this condition will continue during the current fiscal year. The wheat crop this year was materially reduced in bushelage compared with a year ago and rust, frost and a wet harvest season have combined to seriously affect the milling quality of a large portion of the crop.

The Directors wish to take this opportunity of expressing their sincere appreciation for the loyal services given by all of our employees during the past year. We are confident that the experience and ability of our personnel, together with material improvements in plant efficiency under our general plant improvement program, will enable us to better meet current competitive conditions.

Respectfully submitted on behalf of the Board.

P. M. PETERSEN,  
President.

## Auditors' Report to the Shareholders

(Under the provision of The Companies Act of Canada)

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We have examined the balance sheet of The St. Lawrence Flour Mills Company Limited as of August 31, 1954 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 accounting records and other supporting evidence as we considered necessary in the circumstances.

In accordance with the provisions of Section 118 of The Companies Act of Canada, we have to report that, in arriving at the net profit of the Company for the year ended August 31, 1954, the profit of its subsidiary has 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, 1954 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.,  
Auditors.

Montreal, Quebec,  
October 25, 1954.

# The St. Lawrence Flour

Balance Sheet as

## ASSETS

### Current assets:

Cash .....	\$	2,779.86
Accounts receivable, less allowance for doubtful receivables \$56,251.42 .....		560,009.33
Freight and other claims, less allowance for doubtful claims \$160.46 .....		86,709.07
Accrued earnings .....		5,480.62

### Inventories:

Grain, including wheat held for account of The Canadian Wheat Board, at replacement market .....	\$1,101,150.32	
Flour, cereals, millfeeds, etc., based on replacement market prices of grain and feed .....	394,461.06	
Prepared feeds, ingredients, etc., at the lower of cost (first-in, first-out) or replacement market .....	102,923.11	
Packages, at replacement market .....	32,024.66	
Miscellaneous supplies, at cost (first-in, first-out) .....	<u>24,936.65</u>	1,655,495.80
Prepaid expenses .....		25,600.26
Due from affiliated company, Robin Hood Flour Mills Limited .....		<u>960,512.23</u>
Total current assets .....		3,296,587.17

### Investment in, and advances to, subsidiary, at cost:

Investment .....	41,871.54	
Advances .....	<u>214,039.78</u>	255,911.32

### Miscellaneous advances and investments, at cost:

Due from employees .....		408.44
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### Property and plant, less depreciation:

Land at cost .....	146,193.50	
Buildings and equipment (note 1) .....	<u>1,723,152.55</u>	
	1,869,346.05	
Less allowance for depreciation (note 1) .....	<u>1,135,999.75</u>	
	733,346.30	
Improvements in progress (estimated cost to complete \$660,000.00) .....	329,102.29	<u>1,062,448.59</u>
		<u>\$4,750,650.04</u>

See accompanying notes to balance sheet.

# Mills Company, Limited

at 31st August, 1954

LIABILITIES	
Current liabilities:	
Accounts payable.....	\$ 248,969.85
Contribution payable to Profit Sharing Retirement Plan.....	25,557.74
Accrued liabilities:	
Taxes (including income taxes), estimated.....	\$ 57,107.07
Commissions, payroll, storage, etc....	<u>9,361.52</u> 66,468.59
Total current liabilities.....	340,996.18
2¾% long-term unsecured bonds payable on March 1, 1957. Authorized \$1,000,000.00; issued.....	750,000.00
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
Common shares without par value: Authorized 150,000 shares; outstanding 102,857 shares at stated value.....	2,204,344.71
Capital surplus (transferred from earned surplus upon redemption of preferred shares) (no change during the year..)	58,500.00
Earned surplus.....	<u>880,309.15</u> 3,659,653.86

\$4,750,650.04

Signed on behalf of the Board:

P. M. PETERSEN, Director  
H. E. HOWLETT, Director

# The St. Lawrence Flour Mills Company, Limited

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## Statement of Profit and Loss Year ended August 31, 1954

Earnings from operations before providing for the charges shown below.....	\$ 200,582.38
Interest earned.....	92,847.77
	293,430.15
Deduct:	
Officers' remuneration.....	\$ 7,800.00
Interest paid on long-term debt.....	20,625.00
Other interest paid.....	4,636.92
Depreciation.....	56,353.87
	89,415.79
Profit before income taxes.....	204,014.36
Income taxes, estimated.....	106,912.32
Net profit.....	\$ 97,102.04

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## Statement of Earned Surplus Year ended August 31, 1954

Balance at beginning of year.....	\$ 819,362.11
Net profit for the year.....	97,102.04
	916,464.15
Deduct dividends declared on 7% cumulative preferred shares \$7.00 per share.....	36,155.00
Balance at end of year.....	\$ 880,309.15



## 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. 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 Company,  
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



