ST. LAWRENCE FLOUR MILLS CO.

Profits per barrel of flour, as shown by the St. Lawrence Flour Mills Company, are affected by option trading in wheat, particularly in the years 1913 and 1917, although the year 1916 shows the advantage accruing to this company from the rise on the price of wheat. In 1913, a serious loss took place; in 1917, a considerable profit was made. Nevertheless, from the years 1914 to 1917, the profits per barrel of flour as shown in the report, are substantially correct. In 1916 and 1917, they are shown as higher than if profits from other sources had been deducted.

CAPITALIZATION.

	Authorized	Issued.	Fully paid
Preferred shares	$ 600,000	$ 575,000	$ 575,000
Common shares	1,200,000	1,200,000	1,200,000
Bonds and debentures	300,000	300,000	300,000

The bonds are at present reduced under the sinking fund to $254,000.

The capitalization of this company is made up:—

	Cash	Assets	Goodwill
Preferred shares issued for	$575,000	.....	.....
Common " " "	.....	$150,000	$1,050,000
Bonds " " "	$300,000	.....	.....

Dividends—

		Per cent.	
On preferred stocks	1913	3½	$18,375
" "	1914	Nil.	
" "	1915	21	$59,565 54,150*
" "	1916	7	40,215
" "	1917	7	40,224

*Bonus, preferred shares.

The preferred shares increased from $525,000 in 1914 to $574,500 in 1915 and $575,000 in 1917.

On common stock no dividend has been paid.

The surplus profits account and sinking fund reserve show the following accumulations by dates:—

	Sinking fund	Surplus profits
1912	.....	$13,007
1913	.....	− 61,834 (debit)
1914	$10,000	21,296
1915	20,500	− 21,365 (debit)
1916	31,500	51,116
1917	46,000	138,157

REVENUE, 1913.

Total sales		$2,375,072
Net loss (including depreciation, reserve 2 per cent, value of establishments, $8,513)		$61,978
Composed—Milling loss	$37,715	
Bond interest and discount	18,750	
Depreciation reserve at 2 per cent on value of buildings, etc.—value of property	8,513	
		$61,978

Loss per barrel. Total flour produced, 411,833 barrels.

Loss per barrel, 15.78 cents.

Capital—Preferred shares	$ 525,000	
Common shares	1,200,000	
Surplus profits	13,007	
	$1,738,007	
Less good-will	1,050,000	
		$688,007