

The Ogilvie Flour Mills Company Limited

Reports and Balance Sheet

For Year Ended August 31st, 1916, Presented to the Shareholders at Fifteenth Annual Meeting, Held at Montreal, Quebec, October 12th, 1916

DIRECTORS' REPORT.

A Balance Sheet showing the Assets and Liabilities of the Company, also Profits for the year, is submitted.

The Company's accounts have been audited by Messrs. Creak, Cushing and Hodgson, Chartered Accountants, whose report is presented herewith.

The sum of \$8,500 was added during the year to the Company's Pension Fund, which now amounts to \$115,000.

The Company's system of country elevators in the Northwest has been increased during the year by 21 buildings, making a total of 168 elevators, with a storage capacity of 5,385,000 bushels, and covering a very wide area of territory. With terminal and country elevators combined the Company's total wheat storage capacity now amounts to 10,335,000 bushels.

The Company's flour mills, elevators and other properties are in first class condition. All charges for repairs and renewals have been written off and the plants maintained at the highest standard of efficiency.

The usual dividends were paid during the year on the Preferred and Common Stocks, and a bonus of four per cent on the Common Stock was provided out of the year's profits, and paid on October 2nd, 1916, making a total distribution of twelve per cent on this issue.

All of which is respectfully submitted.

(Signed) C. R. HOSMER,
President.

VICE-PRESIDENT AND MANAGING DIRECTOR'S ADDRESS.

Addressing the Shareholders present, Mr. W. A. Black, Vice-President and Managing Director, said:

It is with pleasure we are again able to present you with a very satisfactory statement.

Notwithstanding the fact that since our last meeting the Government war tax was imposed and was retroactive for a year (which will necessitate our paying a very large sum), we have been able to provide for these taxes out of the year's earnings, pay our holders of Common Stock an increased dividend, and carry forward \$334,270.12 to the credit of Profit and Loss Account, which now stands at \$846,330.62.

While the earnings shown are about 25% on the Common Stock, it must be remembered that our reserves represented by Contingent Account \$1,250,000, and Profit and Loss balance as on August 31st, 1915, \$512,060.50, are also Capital, and that taking this into consideration it makes the return about 18%.

While we were not as fortunate in having a large amount of wheat to sell at much enhanced prices, as happened last year, we were more fortunate than in average years in our purchases. We also profited largely in the increase in returns which we received from our investments in business other than flour milling. Our interest charges for borrowed money have been much less owing, of course, to the large Capital now invested in our business which has been accumulating for some years past out of surplus earnings.

Our mills are now fully employed, and have orders ahead to keep them running for some time.

While the wheat crop in the Northwest is less than half of last year's, the yield as an average is little short of what it usually is, and the prices are very much higher. At this date last year October wheat was 98½ cents per bushel; to-day it is 164 cents. The high prices were in effect before the farmers had actually marketed the new crop, so that they will reap the full benefit, and the return to them as a whole will be little, if any, less than the previous year, and with the very high prices prevailing for all farm products, the country should be established on a most substantial basis.

Like many other manufacturers, we have been handicapped by the absence of a large number of our employees who are doing their duty at the front; but are confidently looking forward to the successful conclusion of the war at no distant date.

DIRECTORS AND OFFICERS.

The following gentlemen were elected Directors of the Company for the ensuing year:—

Sir Montagu Allan, C.V.O., Mr. W. A. Black, Mr. Charles Chaput, Mr. George E. Drummond, Mr. C. B. Gordon, Sir Herbert Holt, K.B., Mr. C. R. Hosmer, Mr. A. M. Nanton, Mr. Shirley Ogilvie.

And Messrs. Creak, Cushing and Hodgson were appointed Auditors.

At a subsequent meeting of Directors the following officers were appointed:—

Mr. C. R. Hosmer, President; Mr. W. A. Black, Vice-President and Managing Director; Mr. S. A. McMurtry, Treasurer; Mr. G. A. Morris, Secretary; Mr. W. R. Dean, Assistant-Secretary.

BALANCE STATEMENT, AUGUST 31st, 1916.

ASSETS.

Cash on hand and at Bank	\$ 486,406.58
Bills Receivable	429,217.25
Accounts Receivable after making Provision for all Contingencies	1,291,101.82
Stocks on hand of Wheat, Flour, Oatmeal, coarse Grains, Bags and Barrels	1,460,872.96
Stables, Plant and Office Equipment	27,375.00
Investments	593,904.48
Active Assets	4,288,878.09
Investments for Pension Fund	94,560.88
Real Estate, Water Powers and Mill Plants in Montreal, Winnipeg, Fort William and Medicine Hat; Elevators in Manitoba, Alberta and Saskatchewan; Property in St. John, N.B., and Ottawa as at 31st August, 1915	\$6,333,901.61
Additions during the year	192,850.80
Goodwill, Trade Marks, Patent Rights, etc	1.00
	\$10,910,192.38

LIABILITIES.

Accounts Payable, including Provision for War Tax for two years to date	\$ 1,628,611.76
Provision for Bond Interest and Dividends to date	220,250.00
Current Liabilities	1,848,861.76
Officers' Pension Fund	115,000.00
First Mortgage Bonds	2,350,000.00
Capital Account:—Preferred	\$2,000,000.00
Common	2,500,000.00
Contingent Account	4,500,000.00
Profit and Loss Account:—	1,250,000.00
Amount at Credit 31st August, 1915	512,060.50
Profits for year after payment of Bond Interest and after making provision for the War Tax for two years to 31st August, 1916	\$774,270.12
Less Dividends on Preferred and Common Stock	440,000.00
	334,270.12
	846,330.62
	\$10,910,192.38

Indirect Liabilities: None.

We have audited the Books of the Company for the year ended 31st August, 1916, and certify the above to be a correct statement of the affairs of the Company at that date as shown by the Books.

CREAK, CUSHING & HODGSON, C.A.,

Auditors.

MONTREAL, October 2nd, 1916.

To the Shareholders of
The Ogilvie Flour Mills Company, Limited,
Montreal.

Gentlemen:—We beg to report that we have audited the Books of the Company in Montreal, Winnipeg, Fort William and Medicine Hat, for the year ended 31st August, 1916, verifying the Cash and Bills receivable on hand, the Bank Accounts, the Investments, and the Accounts Receivable, in respect of which ample provision has been made for all Contingencies.

The Stocks on hand of Wheat, Flour and Supplies are certified as to quantities by the Superintendents of the various Mills, confirmed by the Mill Reports, and are valued on a safe and conservative basis, taking into consideration the unusually high price of wheat and the contingencies of the markets.

No provision is made for general depreciation, but the cost for repairs and maintenance of the various Plants has been included in the Working Expenses of the year.

CREAK, CUSHING & HODGSON, C.A.,

Auditors.

PERSONALS.

Mr. E. H. Ambrose, of Mewburn and Ambrose, Barristers of Toronto, has been elected a director of the Landed Banking & Loan Co. to fill the vacancy caused by the recent death of Mr. S. F. Layier, K. C.

A. E. Ames and Co., Toronto, and R. M. Grant and Co., New York, were awarded an issue of \$200,000 ten-year 5 per cent bonds of the Roman Catholic School Commission of the city of Quebec. The purchasing bid was 98.17. Ten bond houses entered bids for the issue.

UNITED STATES TREASURY REPORT.

The condition of the United States Treasury at the close of business on October 11th was: Net balance in general fund, \$164,503,511; total ordinary receipts, \$2,275,156; total ordinary payments, \$5,828,352.

The deficit this fiscal year is \$67,575,233, against a deficit of \$39,997,444 last year, exclusive of Panama Canal and public debt transactions.

NEW ONTARIO FIRE LOSSES.

Provincial Fire Marshall E. P. Heaton places the aggregate loss in the Northern Ontario fires at \$2,134,349, while the insurance recovered or claimed from licensed and unlicensed companies is computed at \$1,045,583. The loss by people in excess of insurance is \$1,088,764.

According to the statement of the claims upon insurance companies, \$654,922 is borne by the regular licensed companies and the difference, amounting to \$390,663, is borne by the unlicensed companies.