

THE OGILVIE FLOUR MILLS COMPANY

The annual statement for the year ended August 31st last of the Ogilvie Flour Mills Company, published on another page, discloses a substantial decline in net revenue as compared with the preceding year.

Profits from all sources for the year under review totalled \$959,065 (including investment income and after payment of bond interest) indicating a decline of \$664,451 as compared with the previous year.

After all deductions and with the addition of the balance standing at the credit of profit and loss account at the end of the year previously, the company carried over into the current year's accounts a surplus of \$1,513,582, no addition having been made to contingent account, as in the previous statement, this standing at the substantial amount of \$2,500,000. The balance sheets of the three years are compared in the following statement:

	1920	1919	1918
Net profit . . .	\$959,065	\$1,632,516	\$1,955,414
Pfd. divs. . . .	140,000	140,000	140,000
Balance	\$819,065	\$1,492,516	\$1,815,414
Com. divs. . . .	550,000	675,000	675,000
Balance	\$269,065	\$817,516	\$1,140,414
Prev. bal. . . .	1,244,516	1,330,592	190,177
Surplus	1,513,582	\$2,148,108	\$1,330,592
Contig. acc. . . .		903,592	
P. & L. bal. . .	\$1,513,582	\$1,244,516	\$1,330,592

The balance sheet division of the statement submitted to the shareholders indicates that the untoward conditions under which the company was operated during the twelve months resulted in no impairment of its position as to working capital, the showing in this respect being slightly better than that presented last year, as will be seen in the following comparative figures:

	1920	1919	1918
Assets	\$9,841,853	\$10,345,043	\$10,618,364
Liabilities . .	2,273,240	2,966,036	3,953,865
Work. cap. . .	\$7,568,613	\$7,379,066	\$6,664,499

This moderately better showing was made possible largely through the reduction of nearly \$600,000 in accounts and bills payable in the year, reflecting, probably, the conditions prevailing in the milling industry during the period. Further

indication of these is seen in the inventory account, which was reduced by some \$200,000 to the unusually low figure of \$435,101, compared with \$1,462,916 at the end of the 1918 fiscal period. Cash on hand, while in excess of \$700,000 under that of a year ago, is shown in the statement under review at over 1½ millions, or almost half a million over 1918. Bills and accounts receivable, also, reflect the diminished business of the milling enterprise under the restrictions imposed upon it, standing at \$1,345,268, against \$1,700,081 last year and \$1,501,826 in the previous statement.

With investments playing so important a part in the earnings of the company, the total shown in the statement is particularly interesting. These total \$6,552,978, an increase of nearly \$800,000, and well up to the record figure of 1918. The contingent and rest accounts carried in the statement remain unchanged, each totalling \$2,500,000, thereby exceeding preferred and common stock issues outstanding.

A comparison of the position occupied at the end of the three last years is given in the following:

ASSETS.			
	1920	1919	1918
Cash	\$1,508,505	\$2,226,123	\$1,078,472
Bills rec. . . .	1,345,268	1,700,081	1,501,826
Inventories . .	435,101	638,269	1,462,916
Investments . .	6,552,978	5,780,568	6,575,149
Pension Fund .	430,049	253,501	173,252
Plants, etc. . .	5,798,891	5,812,695	7,692,892
Goodwill etc. .	1	1	1
Totals	\$16,070,796	\$16,411,240	\$16,484,510

Discussing the results of the year's operations in a brief address to the shareholders, W. A. Black, vice-president and managing director of the company, stated that the milling business during the period covered by the statement had been far from satisfactory. The control of wheat and its products had been vested in the Wheat Board and during a considerable portion of the year the prices fixed by that body had resulted in a positive loss to the mills. Fortunately, he stated, the interests of the Ogilvie company were not confined to flour mills alone and satisfactory profits in other branches of the enterprise's activities had been made.

Mr. Black stated that while wheat control had ceased in Canada it was still in force in the Old Country, but he expressed the hope that with the advent of spring the restrictions will cease there also and permit of the resumption of normal conditions between the millers and their over-sea customers.