THE OGILVIE FLOUR MILLS CO., LIMITED

REPORTS and BALANCE SHEET

For year ended August 31st, 1917, presented to the shareholders at Sixteenth Annual Meeting held at Montreal, Que., October 11th, 1917.

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 Company's Pension Fund now amounts to $143,976.74.

The surplus profits for the year with a sum taken from the Profit and Loss Account have been transferred to the Contingent Account, which now stands at $2,500,000.

The Company's properties have been in continuous operation at maximum capacity during the year, which has deferred the usual overhauling; provision has, however, been made for this purpose.

The usual quarterly dividends were paid during the year on the Preferred shares, and four quarterly dividends of 2½% were paid on the Common shares, together with a bonus of 15%, which was paid on the 1st October, 1917.

All of which is respectfully submitted.

(Signed) CHAS. R. HOSMER,
President.

VICE-PRESIDENT AND MANAGING DIRECTOR'S ADDRESS.

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

I am sure the statement presented to you today will be considered most satisfactory.

We have passed through a very trying year. The wheat market was most erratic, and reached a level that had never been previously touched. The quality of the wheat was very irregular, and, to get a satisfactory quality of flour, required more than usual care and consideration, but notwithstanding this, we were able to turn out the largest amount of flour in any year in the history of the business. Our Cereal mills have also been kept running steadily up to capacity, and the grain handled outside of wheat for milling was unusually large and very profitable owing to the steadily advancing markets.

This year we have shown the earnings other than those from flour milling separately, as the profits have been unusually large, and the impression prevails with some that an unduly large profit has been made on flour, which is not the case. It will be noted that nearly half the profits come from sources other than flour.

It may interest some to know that our contribution to the Business Tax this year will exceed the dividends paid to the holders of the Common Stock of the Company, so that while we have done well for our shareholders, we have also contributed very largely from our success towards the necessities of the Government. I would also like to state that we have a very large number of shareholders, and that the average individual holding is thirty-five shares.

The demand for flour has been so urgent this year that we have not been able to give our mills the general overhauling that they should receive, but proper depreciation has been made, and the work will be done as soon as business permits.

While our wheat crop this year will not yield as much as we had hoped for at one time, it will be very near the average, and of most superior quality. It will go farther than the wheat of last year, yielding a greater amount of excellent flour.

Our mills are all running full time, and we have sufficient business on our books to keep them going for some time to come.

BALANCE STATEMENT, 31st AUGUST, 1917.

ASSETS

Cash on hand and at Bank	$ 259,071.81
Bills Receivable	617,277.89
Accounts Receivable after making Provision for all contingencies	1,667,867.53
Stocks on hand of Wheat, Flour, Oatmeal, Coarse Grains, Bags and Barrels	2,637,009.96
Stable Plant and Office Equipment	35,200.00
Investments	1,148,083.92
Active Assets	$6,364,511.11
Investments for Pension Fund	111,064.20
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—Less Depreciation	5,888,289.58
Goodwill, Trade Marks, Patent Rights, etc.	1.00
	$12,363,865.89

LIABILITIES

Accounts Payable, including Provision for War Tax			$2,171,961.38
Provision for Bond Interest and Dividends to date			507,750.00
Current Liabilities			$2,679,711.38
Officers' Pension Fund			143,976.74
First Mortgage Bonds			2,350,000.00
Capital Stock—Preferred			2,000,000.00
Common			2,500,000.00
Contingent Account			2,500,000.00
Profit and Loss Account:			
Amount at Credit 31st August, 1916		$ 846,330.62	
Trading Profits for the year after Payment of Bond Interest and making provision for War Tax:			
Milling Profits	$721,038.03		
Profits from other sources	637,809.12	1,358,847.15	
		$2,205,177.77	
Less—Dividends on Preferred and Common Stocks	$ 765,000.00		
Less — Amount transferred to Contingent Account	1,250,000.00	2,015,000.00	
			190,177.77
			$12,363,865.89

We have audited the Books of the Company for the year ending 31st August, 1917, 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.