REVENUE, 1914

Total sales		$3,129,853
Net profit available for dividends (after making provision for depreciation, 2 per cent on value of establishment, $8,711)		$84,385
Net profit	$74,385	
Sinking fund	10,000	
	$84,385	
Net profit (available for dividends) as shown by company—no provision for depreciation		$93,129
Disposed—Sinking fund	$10,000	
Added to surplus profits account	83,129	
		$93,129

No dividends were paid this year, $83,129 wiped out deficit of $61,833 of surplus profits account and added $21,296 to credit of this account.

Derived—Sources of revenue other than flour manufacture negligible.

Rate of profit—		
Net profit available for dividends	$74,385	
Sinking fund	10,000	
Total net profit		$84,385
Capital—Preferred shares	$ 525,000	
Common shares	1,200,000	
	$1,725,000	
Less good-will	1,050,000	
Less surplus profit debit	61,884	
	$613,116	
On total net invested capital (14 per cent).		$613,116

Profit per barrel of flour and dividends on common stock payable thereby (after deducting depreciation reserve as estimated above):

Total net profit from flour (after deducting depreciation reserve), $84,385.
Total flour and other cereals produced, 565,872 barrels.
Profit per barrel, 14.9 cents.

Dividend on preferred shares payable thereby all other charges remaining same after deducting sinking fund reserve, but making no payment to surplus profits, the remainder, $74,385, would amount to 14·17 per cent on preferred shares.

REVENUE, 1915.

Total sales		$4,277,500
Net profit available for dividends (after making provision for depreciation, 2 per cent of value of establishment, $8,804)		$72,751
Net profit	$62,251	
Sinking fund	10,500	
		$72,751
Net profit (available for dividends) as shown by company—no provision for depreciation		$81,555
Disposed—Sinking fund	$10,500	
Preferred shares, dividends	71,055	
		$81,555

The total dividends paid on preferred shares this year amounted to 21 per cent, i.e., $113,716. Of this $71,055 was contributed by the year's profits; $21,296 from the surplus profits of the previous year, and the surplus profits account was debited $21,365 for the remainder.