

DOMINION MALTING COMPANY LIMITED

Seventeenth Annual Report of the Directors

YEAR ENDED 31st JULY, 1944

TO THE SHAREHOLDERS:

Your Directors present herewith Financial Statements for the year ended 31st July, 1944, including the Balance Sheet, certified by your Auditor, Mr. C. V. Gladstone, Chartered Accountant.

Statement of Income and Expenditure shows an operating profit of \$223,804.43, after providing for depreciation, at the regular rates, of \$28,042.06, and Directors' fees of \$580.00. The amount of \$90,000.00 has been provided for estimated Income and Excess Profits Taxes, leaving a balance of \$133,804.43, net profit, transferred to Earned Surplus Account. A dividend of 7% on the cumulative preferred shares, amounting to \$43,260.00, was paid out of the Earned Surplus Account on the 11th July, 1944. The balance remaining at the credit of Earned Surplus Account is \$495,245.12.

The operations of the Company were continued at full capacity throughout the year. Barley receipts were again increased over the previous year, with a further slight increase in malt production. There was, however, a large increase in malt shipments, leaving stocks of malt on hand very low. Due to the increased demand for malt by distillers for the manufacture of commercial alcohol for war purposes, it was necessary to limit the shipment of malt to brewers and to discontinue export shipments for the time being.

The Company has on hand fair stocks of good malting barley and, with the splendid crop of barley in prospect, should have no trouble in maintaining this position.

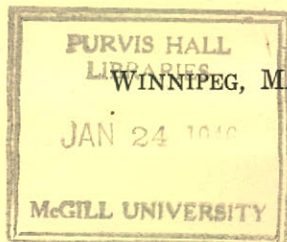
Subsequent to the close of the Company's fiscal year, the outstanding 7% cumulative redeemable preferred shares of \$618,000.00 have been redeemed, and Supplementary Letters Patent obtained authorizing the issue of \$1,250,000 of 5% cumulative redeemable sinking fund preferred shares, of which there have been issued \$650,000.00. Also the authorized common share capital was increased to 125,000 shares of no par value, of which 66,800 shares are issued and outstanding. After the fiscal year closed your Directors declared a dividend on the common shares of 80¢ per share, payable in equal instalments quarterly, beginning 1st November, 1944. A prospectus was issued under date of 16th August, 1944, setting forth full details of the above items.

Application has been made to the Toronto Stock Exchange for the listing of the preferred and common shares.

Your Directors wish to thank all the employees of the Company for their loyal services and the efficient manner in which they have carried out their duties during the past year.

On behalf of the Board of Directors,

T. H. RATHJEN,
President.



DOMINION MALTING

BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash on hand and in Royal Bank of Canada — Winnipeg.....		\$ 214,008.41
Dominion of Canada Bonds (Par Value \$47,500.00		
Market Value \$47,794.37).....		46,536.71
Accounts Receivable		
Trade	\$229,104.53	
Employees' Victory Bond Accounts (secured).....	1,438.40	230,542.93
Inventories of Barley, Malt in Process, Coal etc., valued on the basis of Cost or Market Value whichever is the lower, as determined and certified by responsible Officers of the Company.....		430,290.47
Prepaid Expenses.....		8,112.11
		\$ 929,490.63

INVESTMENT IN MARKETABLE SECURITIES:

(Market Value \$11,250.00).....		1,500.00
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MEMBERSHIP AND SHARES IN GRAIN TRADE ORGANIZATIONS:

(Approximate Market Value \$5,826.00).....		6,076.00
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DEFERRED ACCOUNT RECEIVABLE — being refundable portion of Excess
Profits Tax.....

638.20

FIXED ASSETS:

	Cost	Reserve for Depreciation	
Building.....	\$363,349.99	\$151,644.10	
Temporary Storage Annex.....	19,319.50	7,727.80	
Machinery and Equipment.....	254,825.44	208,287.62	
Furniture and Fixtures.....	5,959.20	4,043.19	
Truck	2,897.00	2,897.00	
	\$646,351.13	\$374,599.71	271,751.42

LEASE

6,680.00

\$1,216,136.25

AUDITOR'S REPORT TO THE SHAREHOLDERS:

I have examined the books and accounts of the Dominion Malting Company Limited, for the fiscal year ended 31st July, 1944. This Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st July, 1944.

Winnipeg, Manitoba, 10th August, 1944.

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AT 31st July, 1944

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses.....		\$ 26,584.94
Provisions for estimated Income and Excess Profits Taxes.....		68,987.99
		<u>\$ 95,572.93</u>

DEFERRED CREDIT TO SURPLUS — being refundable portion of Excess
Profits Tax — per contra.....

638.20

CAPITAL:

Authorized

7,000 7% Cumulative Preferred Shares of \$100.00 each, redeemable
at the option of the Company.

7,500 Common Shares of No Par Value.

Issued and fully paid

6,180 Preferred Shares.....	\$618,000.00	
6,680 Common Shares.....	<u>6,680.00</u>	624,680.00

EARNED SURPLUS:

495,245.12

The Company is a defendant in a certain action pending in the Court
of King's Bench of Manitoba in respect of which the Company
has received an agreement of indemnity.

Approved on behalf of the Board,

T. H. RATHJEN, *Director.*

G. S. SNELL, *Director.*

\$1,216,136.25

1st July, 1944, and have obtained all the information and explanations I have required. In my opinion the above Balance
1944, according to the best of my information, the explanations given to me and as shown by the books of the Company.

C. V. GLADSTONE
*Chartered Accountant,
Auditor.*

Dominion Malting Company Limited

STATEMENT OF INCOME AND EXPENDITURE

For the Year Ended 31st July, 1944

INCOME FROM THE COMPANY'S OPERATIONS after meeting all expenses including Executive Salaries and Legal Fees of \$35,475.30, but before taking into account the items shown below.....		\$ 252,426.49
Less: Depreciation.....	\$ 28,042.06	
Directors' Fees.....	580.00	
		28,622.06
OPERATING PROFIT, before providing for Income Tax and Excess Profits Tax		\$ 223,804.43
Less: Provision for estimated Income Tax and Excess Profits Tax.....		90,000.00
NET PROFIT for the year ended 31st July, 1944 — transferred to Earned Surplus Account — Statement 3.....		\$ 133,804.43

STATEMENT III

EARNED SURPLUS ACCOUNT

at 31st July, 1944

BALANCE — at 31st July, 1943.....		\$ 416,200.69
Add: Balance Transferred from Income and Expenditure Account — per Statement 2.....		133,804.43
		\$ 550,005.12
Less: Dividend on 7% Cumulative Preferred Stock Paid 11th July, 1944....	\$ 43,260.00	
Amount reserved for payment to Officers and Employees of the Company when Salaries Order expires.....	11,500.00	
		54,760.00
BALANCE — at 31st July, 1944.....		\$ 495,245.12

DIRECTORS

T. H. RATHJEN, *President*
 G. S. SNELL, *Vice-President and General Manager*
 G. R. MARTIN, *Vice-President*

J. A. GAIRDNER	J. S. D. TORY	R. H. WEBSTER
V. W. TRYON		C. C. FIELDS

Secretary-Treasurer: L. G. BARNES

Registrar.....MONTREAL TRUST COMPANY, Toronto, Montreal and Winnipeg.

Transfer Agent.....NATIONAL TRUST CO. LTD., Toronto, Montreal and Winnipeg.

Auditors.....C. V. GLADSTONE, C.A.

Solicitors.....AIKINS, LOFTUS, MACAULAY & COMPANY