

DOMINION MALTING COMPANY LIMITED

Eighteenth Annual Report of the Directors

YEAR ENDED 31st JULY, 1945

TO THE SHAREHOLDERS:

Your Directors present herewith Financial Statements for the year ended 31st July, 1945, including the Balance Sheet, certified by your Auditors, Messrs. George A. Touche & Co., Chartered Accountants.

Profit and Loss Statement shows an operating profit of \$180,093.93, after providing for depreciation, at the regular rates, \$25,986.78, Interest on First Secured Bonds, \$3,967.65, and Directors' Fees, \$1,230.00. The amount of \$75,000.00 has been provided for estimated Income and Excess Profits Taxes; this amount has been computed at the rates in effect at 31st July, 1945. The net profit for the year, \$105,093.93, together with \$23,734.92, representing adjustments in respect to prior years has been transferred to Earned Surplus Account. Dividends accruing on Preferred Shares to 1st August, 1945, together with 80 cents per share on the Common Shares, have been paid and charged to Earned Surplus Account. The Balance remaining at the credit of this account is \$535,193.03, as compared with \$495,245.12 at the end of the previous fiscal year.

The Company commenced the year with very low stocks of malt on hand, but maintained maximum production throughout the year; shipments were therefore limited to the amount of malt produced, and were far short of the current demand. In order to increase our participation in domestic business and to prepare for the time when exports, principally to the United States and West Indies, are again possible, arrangements were made to increase the malting capacity from 1,350,000 bushels to 2,500,000 bushels. Construction on the addition to the plant was started as early as possible in the spring. Good progress has been made to date and it is expected the new plant will be in operation early in 1946.

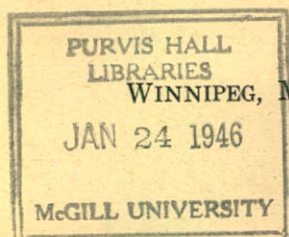
Estimated cost of additions to Plant and Equipment now under construction is shown in the Balance Sheet under Fixed Assets at \$1,160,250.00, the funds required to meet this cost were largely obtained through the issue of 3½% and 3¾% bonds to the amount of \$850,000.00 and the issue of \$200,000.00 additional 5% Preferred Shares.

It is with deep regret that we have to advise you of the loss of Mr. C. C. Fields, a Director of this Company since its inception. His death occurred after the signing of the financial statement included in this report, and his loss will be keenly felt by the Company.

The thanks of the Board of Directors are extended to all employees for their efficient and loyal services during the past year.

On behalf of the Board of Directors,

T. H. RATHJEN,
President.



DOMINION MALTING

BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash in The Royal Bank of Canada — Winnipeg.....	\$	32,098.69
Dominion of Canada Bonds (Par Value \$1,097,500.00 Market Value \$1,114,704.38)		\$1,111,536.71
Interest Accrued thereon.....		3,991.09
		1,115,527.80
Accounts Receivable		
Trade	\$	287,410.70
Employees' Victory Bond Accounts (secured)		1,389.20
		288,799.90
Inventory of Barley, Malt in Process, Malt, 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....		428,466.49
Prepaid Expenses.....		6,564.18
		\$1,871,457.06

INVESTMENT IN MARKETABLE SECURITIES:

(Market Value \$24,562.50)..... 1,500.00

MEMBERSHIPS AND SHARES IN GRAIN TRADE ORGANIZATIONS:

(Approximate Market Value \$7,915.00)..... 6,015.00

**DEFERRED ACCOUNT RECEIVABLE — being estimated refundable portion of
Excess Profits Tax.....**

1,500.00

FIXED ASSETS:

	Cost	Reserve for Depreciation	
Building.....	\$ 363,349.99	\$160,727.85	
Temporary Storage Annex.....	19,319.50	11,591.70	
Machinery and Equipment.....	254,825.44	221,028.89	
Furniture and Fixtures.....	5,959.20	4,341.05	
Truck	2,897.00	2,897.00	
Estimated cost of additions to Plant and Equipment now under construction.....	1,160,250.00		
	\$1,806,601.13	\$400,586.49	1,406,014.64

LEASE 6,680.00

DEFERRED CHARGE:

Commission paid or accrued on sale of shares and other expenses
incidental to sale of bonds and shares.....

66,191.07

\$3,359,357.77

To the Shareholders of
DOMINION MALTING COMPANY LIMITED,
Winnipeg, Manitoba.

AUDITORS

We have examined the books and accounts of Dominion Malting Company Limited for the year ended 31st July, 1945. The above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the books of the Company.

Winnipeg, Manitoba, 31st August, 1945.

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AT 31st JULY, 1945

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses.....		\$ 87,994.52
Estimated amount payable on completion of additions to Plant and Equipment		955,979.24
Provision for estimated Income and Excess Profits Taxes.....		64,244.55
First Secured Bonds maturing 1st May, 1946.....		42,500.00
Accrued Bond Interest.....		7,766.43
		<u>\$1,158,484.74</u>

FIRST SECURED BONDS:

Authorized	<u>\$2,000,000.00</u>	
Issued, Series A.....	\$850,000.00	
<p>\$42,500.000 maturing on 1st May of each of the years 1946 to 1965 inclusive. Interest payable at 3½% per annum on bonds maturing to 1st May, 1955 and at 3¾% per annum on bonds maturing thereafter.</p>		
Less: Bonds maturing 1st May, 1946 shown as Current Liability.....	<u>42,500.00</u>	807,500.00

DEFERRED CREDIT TO SURPLUS — being estimated refundable portion of Excess Profits Tax — per contra.....		1,500.00
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CAPITAL:

Authorized for issuance		
12,500 5% Cumulative Redeemable Sinking Fund Preferred Shares of \$100.00 each.		
125,000 Common Shares of No Par Value.		
Issued and Fully Paid		
8,500 Preferred Shares.....	\$850,000.00	
66,800 Common Shares.....	<u>6,680.00</u>	856,680.00

EARNED SURPLUS: (per Statement III)		535,193.03
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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*

\$3,359,357.77

REPORT

1945 and we report that we have obtained all the information and explanations we have required and that, in our opinion, the same are correct as shown by the records at 31st July, 1945, according to the best of our information and the explanations given to us, and as shown by the

MESSRS. GEORGE A. TOUCHE & CO.
*Chartered Accountants,
Auditors.*

