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# DOMINION MALTING COMPANY LIMITED

## *Twentieth Annual Report of the Directors*

YEAR ENDED 31st JULY, 1947

### TO THE SHAREHOLDERS:

Your Directors present herewith Financial Statements for the year ended 31st July, 1947, including Balance Sheet, certified by your Auditors, George A. Touche & Co., Chartered Accountants.

Profit and Loss Statement shows an operating profit of \$240,730.71, after providing for depreciation of \$160,261.74 on buildings, machinery and equipment, interest on First Secured Bonds, \$28,953.15, and Directors' fees, \$3,200.00. Included in the provision for depreciation is the additional amount of \$66,952.41, being double depreciation on the new additions to plant and equipment. This compares with the amount of \$26,577.08 double depreciation for the year ended 31st July, 1946. The sum of \$92,000.00 has been provided for estimated Income and Excess Profits Taxes in accordance with the rates in effect at 31st July, 1947. The net profit for the year, \$148,730.71, which compares with \$116,000.64 for the previous year, has been transferred to Earned Surplus Account. Dividends accruing on Preferred shares to 1st August, 1947, together with \$1.00 per share on the Common shares have been paid and charged to Earned Surplus Account. This account shows a credit balance of \$604,002.55, as compared with \$578,614.62 at the end of the previous fiscal year.

Working capital, after providing for redemption of First Secured Bonds maturing 1st May, 1948, and estimated Income and Excess Profits Taxes, amounts to \$1,016,038.69, an increase of \$77,254.21 over the previous year.

The plant operated at full capacity throughout the year and due to our increased production, the volume of sales increased considerably over the previous year. The benefit arising from this increased volume of sales, however, was adversely affected by the increase in operating costs. These costs are still rising and we are again experiencing considerable difficulty in obtaining suitable malting barley. The crop is smaller this year and there is a shortage of barley and other grains for feed requirements. Demand for malt is holding up and our entire production is being disposed of to Canadian users.

Expenditures on additions to plant and equipment, now under construction amounting to \$56,358.77, were made during the year. Our new malt cleaning plant should be completed within the next three months.

Your Directors wish to thank all employees of the Company for their loyal services and the efficient manner in which they carried out their duties throughout the year under especially difficult conditions.

On behalf of the Board of Directors,

T. H. RATHJEN,  
President.

Winnipeg, Manitoba, October 2nd, 1947.



# DOMINION MALTIN

## BALANCE SHEET

### ASSETS

**CURRENT ASSETS:**

Cash on hand.....		\$ 4,366.18
Dominion of Canada Bonds (Par Value \$25,000.00, Market Value \$26,218.75).....	\$ 25,000.00	
Interest accrued thereon .....	312.50	25,312.50
<b>Accounts Receivable</b>		
Trade .....	\$305,072.92	
Sundry .....	1,179.90	
Employees' Canada Savings Bond Accounts (secured).....	1,489.62	307,742.44
Inventory of Barley, Malt in Process, Malt, Bags, 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....		983,449.14
Prepaid Expenses .....		13,016.51
		\$1,333,886.77

**MEMBERSHIPS AND SHARES IN GRAIN TRADE ORGANIZATIONS:**

(Approximate Market Value \$7,491.00)..... 6,191.00

**DEFERRED ACCOUNT RECEIVABLE** — being estimated refundable portion of  
Excess Profits Tax..... 1,500.00

**FIXED ASSETS:**

	Cost	Reserve for Depreciation	
Buildings .....	\$1,020,668.77	\$216,044.50	
Temporary Storage Annex.....	19,319.50	19,319.50	
Machinery and Equipment.....	803,821.37	396,737.66	
Furniture and Fixtures.....	7,032.02	5,008.48	
Truck .....	2,897.00	2,897.00	
Expenditures on additions to Plant and Equipment now under construction .....	56,358.77		
	<u>\$1,910,097.43</u>	<u>\$640,007.14</u>	1,270,090.29

**LEASE** .....

6,680.00

**DEFERRED CHARGE**

Commission paid on sale of shares and other expenses incidental to  
sale of bonds and shares..... 70,222.31

Approved on behalf of the Board,  
T. H. RATHJEN, *Director*  
G. S. SNELL, *Director*

\$2,688,570.37

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

AUDITOR

We have examined the books and accounts of Dominion Malting Company Limited for the year ended 31st July, 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, 15th September, 1947.



# COMPANY LIMITED

AT 31st JULY, 1947

## LIABILITIES AND CAPITAL

### CURRENT LIABILITIES:

The Royal Bank of Canada — Outstanding cheques less bank balances.....		\$	89,886.79
Accounts Payable and Accrued Expenses.....			98,515.41
Provision for estimated Income and Excess Profits Taxes.....			79,986.48
First Secured Bonds maturing 1st May, 1948.....			42,500.00
Accrued Bond Interest.....			<u>6,959.40</u>
		\$	<u>317,848.08</u>

### FIRST SECURED BONDS:

Authorized .....	\$2,000,000.00		
Issued, Series A.....	\$ 850,000.00		
Less: Redeemed to 1st May, 1947.....	<u>85,000.00</u>	\$765,000.00	
<p>\$42,500.00 maturing on 1st May of each of the years 1948 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, 1948 shown as Current Liability.....	<u>42,500.00</u>		722,500.00
DEFERRED CREDIT TO SURPLUS — being estimated refundable portion of Excess Profits Tax — per contra.....			1,500.00
RESERVE FOR REDEMPTION OF PREFERRED SHARES.....			14,339.74

### 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		
Less:			
<u>143 Preferred Shares redeemed and cancelled.....</u>	<u>14,300.00</u>		
8,357 .....		\$835,700.00	
78,800 Common Shares.....		<u>192,680.00</u>	1,028,380.00
EARNED SURPLUS (per Statement III).....			604,002.55

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 agreements of indemnity.

\$2,688,570.37

### REPORT

7 and we report that we have obtained all the information and explanations we have required and that, in our opinion, at 31st July, 1947, according to the best of our information and the explanations given to us, and as shown by the

GEORGE A. TOUCHE & CO.  
Chartered Accountants,  
Auditors



# Dominion Malting Company Limited

## PROFIT AND LOSS STATEMENT

For the Year Ended 31st July, 1947

INCOME FROM THE COMPANY'S OPERATIONS after meeting all expenses including Executive Salaries \$31,550.00 and Legal Fees \$3,054.66 but before taking into account the items shown below.....		\$432,095.10
Income from Investments.....		<u>1,050.50</u>
		\$433,145.60
Less: Depreciation .....	\$160,261.74	
Bond Interest .....	28,953.15	
Directors' Fees.....	<u>3,200.00</u>	<u>192,414.89</u>
OPERATING PROFIT, before providing for Income and Excess Profits Taxes .....		\$240,730.71
Less: Provision for estimated Income and Excess Profits Taxes.....		<u>92,000.00</u>
NET PROFIT for the year ended 31st July, 1947, transferred to Earned Surplus (Statement III).....		<u>\$148,730.71</u>

## STATEMENT III

## STATEMENT OF EARNED SURPLUS

For the Year Ended 31st July, 1947

BALANCE at 31st July, 1946.....		\$578,614.62
Less: Dividends paid		
On 5% Preferred Shares.....	\$41,882.50	
On Common Shares.....	<u>78,800.00</u>	\$120,682.50
Premium on 5% Preferred Shares redeemed.....	390.00	
Transferred to Reserve for redemption of Preferred Shares.....	<u>7,374.44</u>	<u>128,446.94</u>
		\$450,167.68
Add: Balance transferred from Profit and Loss Account (Statement II)....	\$148,730.71	
Profit on Sale of Bonds.....	<u>5,104.16</u>	<u>153,834.87</u>
BALANCE at 31st July, 1947 (Statement I).....		<u>\$604,002.55</u>

### DIRECTORS

E. P. TAYLOR, *Chairman*  
T. H. RATHJEN, *President*  
G. S. SNELL, *Vice-President and General Manager*  
J. S. D. TORY, K.C.      J. A. GAIRDNER      V. W. TRYON  
C. E. HAYLES                      D. A. THOMPSON

*Secretary-Treasurer:* L. G. BARNES

*Assistant-Secretary:* F. W. DOWLER

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

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

*Auditors:* MESSRS. GEORGE A. TOUCHE & Co.

*Solicitors:* AIKINS, LOFTUS, MACAULAY & COMPANY



# Dominion Malting Company Limited

WINNIPEG, MANITOBA

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TAKE NOTICE that the Annual General Meeting of Shareholders of Dominion Malting Company Limited will be held at the offices of the Company at 412 Grain Exchange Building, in the City of Winnipeg, Province of Manitoba, on Friday, the 17th day of October, 1947 at the hour of 11:30 o'clock in the forenoon.

1. To receive and consider the report of the Directors of the Company, the balance sheet and statement of profit and loss and the auditor's report.
2. To elect directors.
3. To appoint auditors.
4. To ratify, sanction and confirm all acts and proceeding of the directors and officers of the Company since the date of the last annual meeting of the Shareholders of the Company.
5. To transact such other business as may properly come before the meeting.

DATED at Winnipeg, Manitoba, this 2nd day of October, 1947.

L. G. BARNES,  
*Secretary*

NOTE: If you are not able to be present kindly sign and return the proxy enclosed herewith.



