

C. C.

Dominion Malting Company Limited

Winnipeg, Canada



REPORT

For the Year Ended July 31st, 1948

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OFFICERS

E. P. TAYLOR - - - - - *Chairman of the Board*
T. H. RATHJEN - - - - - *President*
G. S. SNELL - - - *Vice-President and General Manager*
L. G. BARNES - - - - - *Secretary-Treasurer*

DIRECTORS

E. P. TAYLOR T. H. RATHJEN G. S. SNELL
J. S. D. TORY, K.C. V. W. TRYON
C. E. HAYLES J. A. GAIRDNER D. A. THOMPSON

REGISTRAR

MONTREAL TRUST COMPANY
Winnipeg - Toronto - Montreal

TRANSFER AGENT

NATIONAL TRUST COMPANY LIMITED
Winnipeg - Toronto - Montreal

AUDITORS

MESSRS. GEORGE A. TOUCHE & Co.
Chartered Accountants
Winnipeg

SOLICITORS

AIKINS, LOFTUS, MACAULAY, THOMPSON & TRITSCHLER
Winnipeg

Dominion Malting Company Limited

TWENTY-FIRST ANNUAL REPORT OF THE DIRECTORS

For the Year Ended 31st July, 1948

To the Shareholders:

Your Directors present herewith Financial Statements for the year ended 31st July, 1948, including Balance Sheet, certified by your Auditors, George A. Touche & Co., Chartered Accountants.

The operating profit for the year amounted to \$385,412.83, after providing for depreciation of \$159,586.64 on buildings, machinery and equipment, (including double depreciation where applicable), interest on First Secured Bonds \$27,465.63 and Directors' fees, \$3,200.00. Provision has been made for estimated Income and Excess Profits Taxes to the amount of \$142,000.00. The net profit for the year \$243,412.83, which compares with \$148,730.71 for the previous year, has been transferred to Earned Surplus Account. After paying dividends accruing on Preferred Shares to 1st August, 1948, and the payment of \$1.00 per share on the Common shares, and writing off \$66,859.82 for expenses incurred in connection with the reorganization of the Company the Earned Surplus Account shows a balance of \$653,155.74, being an increase of \$49,153.19 over the previous year.

The net profit shows an earning of \$2.56 per share on the Common shares after allowing for Dividends paid on the Preferred shares. This net profit represents approximately six times the preferred dividend requirements.

Capital Expenditures in connection with plant and equipment amounted to \$93,027.85 for the year. Our new Malt cleaning plant came into operation last February and has greatly speeded up our loading facilities.

Working capital, after providing for all known liabilities, including redemption of First Secured Bonds maturing 1st May, 1949, amounts to \$1,159,758.80 an improvement of \$143,720.11 over the previous year.

Plant operations were running at full capacity throughout the year and shipments of malt were at record levels. There is a continuing steady demand for malt and our entire production is being disposed of to Canadian users. The new barley crop is of a better quality according to our receipts to date and we anticipate no difficulty in obtaining our full requirements of suitable malting barley. Major repairs to our steep tanks in the older part of our Malting Plant and other improvements were effected during the summer months. There will be a slight loss in production in the current year as part of our plant has been closed down for most of August, 1948, for some further alterations and repairs.

A Retirement Pension Plan has been put into effect for all employees of the Company, the Company undertaking to pay the whole of the cost for past services. This cost is being amortized over ten years. The cost for future services is being paid for jointly by the Company and its employees.

Your Directors wish to thank all employees for their loyal co-operation and the efficient manner in which they carried out their duties.

On behalf of the Board of Directors,

T. H. RATHJEN,
President.

Winnipeg, Manitoba,
1st September, 1948.

Dominion Malting

BALANCE SHEET

ASSETS		
CURRENT ASSETS:		
Cash on hand.....	\$	125.00
Dominion of Canada Bonds (Par Value \$25,000.00, Market Value \$25,156.25).....	\$ 25,000.00	
Interest accrued thereon.....	312.50	
	25,312.50	
Accounts Receivable—		
Trade.....	\$647,599.09	
Sundry.....	1,940.24	
Employees' Canada Savings Bond Accounts (secured).....	1,272.54	
	650,811.87	
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.....		1,172,025.65
Prepaid Expenses.....		11,157.69
		\$1,859,432.71
MEMBERSHIPS AND SHARES IN GRAIN TRADE ORGANIZATIONS		
(Approximate Market Value \$7,040.00).....		6,040.00
FIXED ASSETS:		
	<u>Cost</u>	<u>Reserve for Depreciation</u>
Buildings.....	\$1,126,077.43	\$252,447.12
Temporary Storage Annex.....	19,319.50	19,319.50
Machinery and Equipment.....	838,100.12	511,967.62
Furniture and Fixtures.....	9,081.23	5,462.54
Truck.....	2,897.00	2,897.00
	\$1,995,475.28	\$792,093.78
		1,203,381.50
LEASE		6,680.00

Approved on behalf of the Board,

T. H. RATHJEN, *Director*.

G. S. SNELL, *Director*.

\$3,075,534.21

AUDITORS

To the Shareholders of Dominion Malting Company Limited,
Winnipeg, Manitoba.

We have examined the books and accounts of Dominion Malting Company Limited for the year ending 31st August 1948, and that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct statement of the financial position of the Company at that date, and as shown by the books of the Company.

Winnipeg, Manitoba,
1st September, 1948.

Company Limited

STATEMENT I

AT 31st JULY, 1948

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

The Royal Bank of Canada—		
Loan Payable.....	\$236,000.00	
Outstanding cheques less bank balances.....	94,602.92	
		\$ 330,602.92
Accounts Payable and Accrued Expenses.....		204,908.49
Provision for estimated Income and Excess Profits Taxes.....		115,074.97
First Secured Bonds maturing 1st May, 1949.....		42,500.00
Accrued Bond Interest.....		6,587.53
		<u>\$ 699,673.91</u>

FIRST SECURED BONDS:

Authorized.....	<u>\$2,000,000.00</u>	
Issued Series A.....	\$ 850,000.00	
Less: Redeemed to 1st May, 1948.....	127,500.00	
	<u>\$722,500.00</u>	
<p>\$42,500.00 maturing on 1st May of each of the years 1949 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, 1949 shown as Current Liability.....	42,500.00	
		680,000.00
RESERVE FOR REDEMPTION OF PREFERRED SHARES.....		<u>25,024.56</u>

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:		
250 Preferred Shares redeemed and cancelled.....	25,000.00	
8,250.....	\$825,000.00	
78,800 Common Shares.....	192,680.00	
		1,017,680.00
EARNED SURPLUS (per Statement III).....		<u>653,155.74</u>

\$3,075,534.21

S REPORT

ed 31st July, 1948 and we report that we have obtained all the information and explanations we have required
ew of the state of the Company's affairs at 31st July, 1948, according to the best of our information and the

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

Dominion Malting Company Limited

PROFIT AND LOSS STATEMENT

For the Year Ended 31st July, 1948

INCOME FROM THE COMPANY'S OPERATIONS after meeting all expenses including Executive Salaries \$32,500.00 and Legal Fees \$3,101.57 but before taking into account the items shown below.....	\$575,075.10
INCOME FROM INVESTMENTS.....	590.00
	\$575,665.10
Less: Depreciation.....	\$159,586.64
Bond Interest.....	27,465.63
Directors' Fees.....	3,200.00
	190,252.27
OPERATING PROFIT, before providing for Income and Excess Profits Taxes.....	\$385,412.83
Less: Provision for estimated Income and Excess Profits Taxes.....	142,000.00
	\$243,412.83
NET PROFIT for the year ended 31st July, 1948, transferred to Earned Surplus (Statement III).....	\$243,412.83

Dominion Malting Company Limited

STATEMENT OF EARNED SURPLUS

For the Year Ended 31st July, 1948

BALANCE at 31st July, 1947.....		\$604,002.55
<i>Less: Dividends Paid—</i>		
On 5% Preferred Shares.....	\$41,392.50	
On Common Shares.....	78,800.00	
	\$120,192.50	
Premium on 5% Preferred Shares redeemed.....	422.50	
Transferred to Reserve for Redemption of Preferred Shares.....	10,684.82	
Commission paid on sale of shares and other expenses incidental to sale of bonds and shares incurred in prior years.....	66,859.82	
		198,159.64
		\$405,842.91
<i>Add: Balance transferred from Profit and Loss Account (Statement II).....</i>	\$243,412.83	
Profit on sale of Fixed Assets.....	2,400.00	
Transferred from Deferred Credit to Surplus in respect of refundable portion of Excess Profits Tax.....	1,500.00	
		247,312.83
BALANCE at 31st July, 1948 (Statement I).....		\$653,155.74

