

2014

# Dominion Malting Company Limited

Winnipeg, Canada



## REPORT

*For the Year Ended July 31st, 1949*

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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, MACAULAY, THOMPSON, TRITSCHLER & HINCH  
Winnipeg

# Dominion Malting Company Limited

## TWENTY-SECOND ANNUAL REPORT OF THE DIRECTORS

*For the Year Ended 31st July, 1949*

To the Shareholders:

Your Directors present herewith Financial Statements for the year ended 31st July, 1949, including Balance Sheet, certified by your Auditors, George A. Touche & Co., Chartered Accountants.

The Profit and Loss Statement for the year shows an operating profit of \$202,005.12, after providing for depreciation of \$162,401.58 on buildings, machinery, equipment, etc., (including depreciation at double the normal annual depreciation rates on the plant constructed in 1946 and additions thereto), interest on First Secured Bonds \$25,978.07 and Directors' fees, \$3,200.00. Provision for estimated Income Taxes amounts to \$72,000.00. The net profit for the year \$130,005.12, which compares with \$243,412.83 for the previous year, has been transferred to Earned Surplus Account. After paying dividends accruing on Preferred shares to 1st August 1949, the payment of \$1.00 per share on the Common shares, and transferring \$20,202.03 to the reserve for the redemption of Preferred shares, the Earned Surplus Account shows a balance of \$643,477.58, being a decrease of \$9,678.16 from the previous year.

The net profit shows an earning of \$1.13 per share on the Common shares after allowing for dividends paid on the Preferred shares as compared with \$2.56 per share last year. This decrease is due to various factors. There was an increase in wages, the Company's share of its contributions to the Pension Fund which covered a full year as compared with six months for the previous year, the cost of coal used, property taxes and certain other items. It will also be remembered that previous years shipments were at record levels, thus reducing stocks of malt available for shipment in the current year. Further, part of the plant was closed for major repairs and improvements at the commencement of the fiscal year which meant a loss of production and a consequent reduction in shipments. The Company has since been operating at full capacity and with the improvement in the efficiency of the plant, together with the good type of barley available, the excellent quality of our malt has been maintained. During the year we were able to make sales for export.

Trade Accounts Receivable, \$574,881.00, are all current and, in fact, have since been collected in full.

Working capital, after providing for all known liabilities, including redemption of First Secured Bonds maturing 1st May, 1950, and provision for estimated Income Taxes, amounts to \$1,271,669.41 an improvement of \$111,910.61 over the previous year.

For this present year, while there is a considerable decrease in barley yields in the Prairie Provinces, the quality is good and we anticipate little difficulty in obtaining full supplies. The domestic demand for malt is continuing steady.

The marketing of the current crop of barley is being made through the Wheat Board who, however, do not control or have anything to do with premiums on barley. These, as in the past, will be left to negotiations between the sellers and the buyers. This arrangement is working out satisfactorily although the high prices are the cause for some concern.

The Directors and officials wish to extend their thanks and sincere appreciation for the continued co-operation and efficient service rendered by all employees during the year.

On behalf of the Board of Directors,

T. H. RATHJEN,  
President.

Winnipeg, Manitoba,  
26th September, 1949.

# Dominion Malting

## BALANCE SHEET

### ASSETS

<b>CURRENT ASSETS</b>		
Cash on hand.....		\$ 50,801.26
Accounts Receivable		
Trade.....	\$574,881.00	
Sundry.....	1,965.74	
Employees' Canada Savings Bond Accounts (secured).....	1,649.13	
		578,495.87
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.....		1,320,241.22
Prepaid Expenses.....		19,998.92
		\$1,969,537.27
<b>MEMBERSHIPS AND SHARES IN GRAIN TRADE ORGANIZATIONS</b>		
(Approximate Market Value \$6,791.00).....		6,791.00
<b>FIXED ASSETS</b>		
	<u>Cost</u>	<u>Reserve for Depreciation</u>
Buildings.....	\$1,126,077.43	\$289,913.15
Temporary Storage Annex.....	19,319.50	19,319.50
Machinery and Equipment.....	838,171.52	636,314.49
Furniture and Fixtures.....	11,773.67	6,051.22
Truck.....	2,897.00	2,897.00
	\$1,998,239.12	\$954,495.36
		1,043,743.76
LEASE.....		6,680.00

Approved on behalf of the Board,

T. H. RATHJEN, *Director*.

G. S. SNELL, *Director*.

\$3,026,752.03

*AUDITOR'S*

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 ended 31st August 1949, that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the assets and liabilities given to us, and as shown by the books of the Company.

Winnipeg, Manitoba.  
7th September, 1949.

31st JULY, 1949

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

The Royal Bank of Canada		
Loan Payable.....	\$263,000.00	
Outstanding cheques less bank balances.....	92,329.02	
		\$ 355,329.02
Accounts Payable and Accrued Expenses.....		242,874.58
Provision for estimated Income Taxes.....		50,948.66
First Secured Bonds maturing 1st May, 1950.....		42,500.00
Accrued Bond Interest.....		6,215.60
		<u>\$ 697,867.86</u>

FIRST SECURED BONDS

Authorized.....	<u>\$2,000,000.00</u>	
Issued Series A.....	\$ 850,000.00	
Less Redeemed to 1st May, 1949.....	170,000.00	
		\$680,000.00
<p>\$42,500.00 maturing on 1st May of each of the years 1950 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, 1950 shown as Current Liability.....	42,500.00	
		637,500.00
RESERVE FOR REDEMPTION OF PREFERRED SHARES.....		45,226.59

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		
400 Preferred Shares redeemed and cancelled.....	40,000.00	
		\$810,000.00
8,100.....		192,680.00
78,800 Common Shares.....		<u>1,002,680.00</u>
EARNED SURPLUS (per Statement III).....		643,477.58
		<u>\$3,026,752.03</u>

REPORT

at July, 1949 and we report that we have obtained all the information and explanations we have required and state of the Company's affairs at 31st July, 1949 according to the best of our information and the explanations

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

# Dominion Malting Company Limited

## PROFIT AND LOSS STATEMENT

*For the Year Ended 31st July, 1949*

INCOME FROM THE COMPANY'S OPERATIONS after meeting all expenses including Executive Salaries \$35,200.00 and Legal Fees \$2,500.00 but before taking into account the items shown below.....		\$392,918.52
INCOME FROM INVESTMENTS.....		666.25
		<u>\$393,584.77</u>
Less Depreciation.....	\$162,401.58	
Bond Interest.....	25,978.07	
Directors' Fees.....	3,200.00	
		<u>\$191,579.65</u>
OPERATING PROFIT, before providing for estimated Income Taxes.....		\$202,005.12
Less Provision for estimated Income Taxes.....		72,000.00
		<u>\$130,005.12</u>
NET PROFIT for the year ended 31st July, 1949, transferred to Earned Surplus (Statement III).....		<u>\$130,005.12</u>

# Dominion Malting Company Limited

## STATEMENT OF EARNED SURPLUS

*For the Year Ended 31st July, 1949*

BALANCE at 31st July, 1948.....		\$653,155.74
<i>Less Dividends Paid</i>		
On 5% Preferred Shares.....	\$40,687.50	
On Common Shares.....	78,800.00	
	\$119,487.50	
Premium on 5% Preferred Shares redeemed.....	150.00	
Transferred to Reserve for Redemption of Preferred Shares.....	20,202.03	
	139,839.53	
		\$513,316.21
 <i>Add</i>		
Balance transferred from Profit and Loss Account (Statement II).....	\$130,005.12	
Profit on sale of Dominion of Canada Bonds.....	156.25	
	130,161.37	
BALANCE at 31st July, 1949 (Statement I).....		\$643,477.58

