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Dominion Malting Company Limited

Winnipeg, Canada



REPORT

For the Year Ended July 31st, 1951

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OFFICERS

E. P. TAYLOR.....*Chairman of the Board*
G. S. SNELL.....*President and General Manager*
M. J. KELLY.....*Vice-President*
L. G. BARNES.....*Secretary-Treasurer*

DIRECTORS

E. P. TAYLOR	G. S. SNELL	M. J. KELLY
G. M. BLACK, JR.		V. W. TRYON
C. E. HAYLES	J. A. GAIRDNER	D. A. THOMPSON

REGISTRAR

NATIONAL TRUST COMPANY LIMITED
Winnipeg - Toronto

TRANSFER AGENT

NATIONAL TRUST COMPANY LIMITED
Winnipeg - Toronto

AUDITORS

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

SOLICITORS

AIKINS, MACAULAY, THOMPSON, TRITSCHLER & HINCH
Winnipeg

Dominion Malting Company Limited

Winnipeg, Canada

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 19th day of October, 1951, at the hour of 12 o'clock noon, for the following purposes:

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 proceedings 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 28th day of September, 1951.

L. G. BARNES,
Secretary-Treasurer.

NOTE: If you are not able to be present kindly sign and return the enclosed proxy to the Secretary-Treasurer at 412 Grain Exchange Building, Winnipeg, Canada.

Dominion Malting Company Limited

TWENTY-FOURTH ANNUAL REPORT OF THE DIRECTORS

For the Year Ended 31st July, 1951

To the Shareholders:

Your Directors present herewith the Financial Statements for the year ended 31st July, 1951, including the Balance Sheet and attached Auditors' Report.

A net amount of \$191,830.40 has been transferred from Profit and Loss to Earned Surplus Account this year, as compared with \$221,006.45 last year. This amount has been arrived at after providing for depreciation of \$126,761.07, interest on First Secured Bonds \$23,003.13, Directors' fees \$3,200.00, and estimated Income Taxes \$185,000.00.

The net profit represents an earning of \$1.94 per Common share after the payment of Preferred dividends, as compared with \$2.30 the previous year. The decrease is due mostly to increases in production and operating costs such as coal and wages, and an increase in the Income Tax rate.

The Earned Surplus Account has been charged with the regular quarterly dividends accruing on the Preferred and Common shares, with the exception of the quarterly dividend accruing 1st November, 1950, which had been declared prior to the close of the Company's previous fiscal year. An amount of \$28,121.90 was transferred from Earned Surplus Account to the sinking fund for redemption of Preferred shares, while Earned Surplus has been credited with \$3,281.93, the amount by which the provision for depreciation was overprovided in 1950.

The balance at credit of Earned Surplus Account amounts to \$831,327.26, an increase of \$78,596.91 over last year.

Trade Accounts Receivable amounting to \$544,010.76, are all current, and have since been collected in full.

The inventory of barley, malt, etc. is higher in value this year, owing to an increase in the quantity of our stocks on hand.

Working capital after providing for all known liabilities, including provision for estimated Income Taxes and redemption of First Secured Bonds maturing 1st May, 1952, amounts to \$1,528,200.33, an improvement of \$85,084.45 over the previous year.

Malt production and shipments during the year were the highest in the Company's history. Sales were at a high level, and showed a considerable increase over the previous year.

Capital expenditures during the year amounted to \$93,523.50, and all necessary repairs were made in order to maintain the plant in first-class condition.

Present indications point to a greatly increased barley crop in the current year, so that suitable malting barley for our full requirements should be readily available.

Your Directors sincerely appreciate the loyal cooperation and efficient service rendered by all employees during the year.

On behalf of the Board of Directors,

G. S. SNELL,
President.

Winnipeg, Manitoba,
30th August, 1951.

Dominion Malting

BALANCE SHEET

ASSETS

CURRENT ASSETS

Accounts Receivable

Trade Accounts.....	\$ 549,471.14	
Employees' Canada Savings Bond Accounts (secured).....	2,070.96	\$ 551,542.10

Inventory of Barley, Malt in Process, Malt, Bags, Fuel, etc., valued on the basis of Cost or Market whichever is the lower, as determined and certified by responsible officers of the Company.....

\$1,900,548.84

Less Reserve for Inventories.....	200,000.00	1,700,548.84
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Prepaid Expenses.....		16,803.10
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\$2,268,894.04

MEMBERSHIPS AND SHARES IN GRAIN TRADE ORGANIZATIONS

(Approximate Market Value \$7,299.00).....		6,799.00
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FIXED ASSETS

	<u>Cost</u>	<u>Reserve for Depreciation</u>	
Buildings.....	\$1,147,108.43	\$ 398,089.79	
Temporary Storage Annex.....	19,319.50	19,319.50	
Machinery and Equipment.....	906,733.52	801,382.18	
Furniture and Fixtures.....	14,087.02	8,905.71	
Trucks.....	9,700.05	3,843.16	
	<u>\$2,096,948.52</u>	<u>\$1,231,540.34</u>	865,408.18

LEASE.....			6,680.00
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Approved on behalf of the Board

G. S. SNELL,
Director

M. J. KELLY,
Director

\$3,147,781.22

AUDITOR

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

Winnipeg, Manitoba.
29th August, 1951.

Company Limited

STATEMENT I

AT 31st JULY, 1951

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

The Royal Bank of Canada		
Outstanding cheques less balances on deposit.....	\$	64,970.15
Notes Payable.....		388,000.00
Accounts Payable and Accrued Expenses.....		103,309.87
Provision for Estimated Income Taxes Payable.....		136,441.79
First Secured Bonds maturing 1st May, 1952.....		42,500.00
Accrued Bond Interest.....		5,471.90
	\$	<u>740,693.71</u>

FIRST SECURED BONDS

Authorized.....	\$2,000,000.00	
Issued Series A.....	\$ 850,000.00	
Less Redeemed to 1st May, 1951.....	255,000.00	\$595,000.00
		<u>552,500.00</u>
\$42,500.00 maturing on 1st May of each of the years 1952 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.		
Less Bonds maturing 1st May, 1952 shown as Current Liability.....	42,500.00	552,500.00

CAPITAL SURPLUS RESULTING FROM REDEMPTION OF PREFERRED SHARES

Balance at 31st July, 1950.....	\$ 24,158.35	
Add Amount transferred from Earned Surplus.....	28,121.90	52,280.25

CAPITAL

Authorized for issuance		
12,100 5% Cumulative Redeemable Sinking Fund Preferred Shares of \$100.00 each		
125,000 Common Shares of No Par Value		
Issued and fully paid		
8,100 Preferred Shares.....	\$ 810,000.00	
Less		
317 Preferred Shares redeemed and cancelled.....	31,700.00	
		<u>778,300.00</u>
7,783.....	\$ 778,300.00	
78,800 Common Shares.....	192,680.00	970,980.00

EARNED SURPLUS (per Statement III).....		831,327.26
		<u>\$3,147,781.22</u>

REPORT

31st July, 1951 and we report that we have obtained all the information and explanations we have required and the state of the Company's affairs at 31st July, 1951, 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, 1951

INCOME FROM THE COMPANY'S OPERATIONS after meeting all expenses including Executive Salaries \$32,533.40 and Legal Fees \$2,000.00 but before taking into account the items shown below.....		\$529,035.10
INCOME FROM INVESTMENTS.....		759.50
		<u>\$529,794.60</u>
Less Depreciation.....	\$126,761.07	
Bond Interest.....	23,003.13	
Directors' Fees.....	3,200.00	152,964.20
		<u>152,964.20</u>
PROFIT for the year ended 31st July, 1951 before providing for estimated Income Taxes.....		\$376,830.40
Less Provision for estimated Income Taxes.....		185,000.00
NET PROFIT transferred to Earned Surplus (Statement III).....		<u><u>\$191,830.40</u></u>

Dominion Malting Company Limited

STATEMENT OF EARNED SURPLUS

For the Year Ended 31st July, 1951

BALANCE at 31st July, 1950.....		\$752,730.35
<i>Less Dividends</i>		
On 5% Preferred Shares.....	\$29,117.50	
On Common Shares.....	59,100.00	\$ 88,217.50
Premium on 5% Preferred Shares redeemed.....		176.02
Transferred to Capital Surplus resulting from redemption of Preferred Shares.....	28,121.90	116,515.42
		\$636,214.93
<i>Add Balance transferred from Profit and Loss Account (Statement II).....</i>		\$191,830.40
Adjustment in respect of depreciation charged to previous year's operations.....	3,281.93	195,112.33
		\$831,327.26
BALANCE at 31st July, 1951.....		\$831,327.26

